

EASTERN WORLD

S.E.ASIA • FAR EAST • PACIFIC

Volume XI Number 2

LONDON

FEBRUARY 1957

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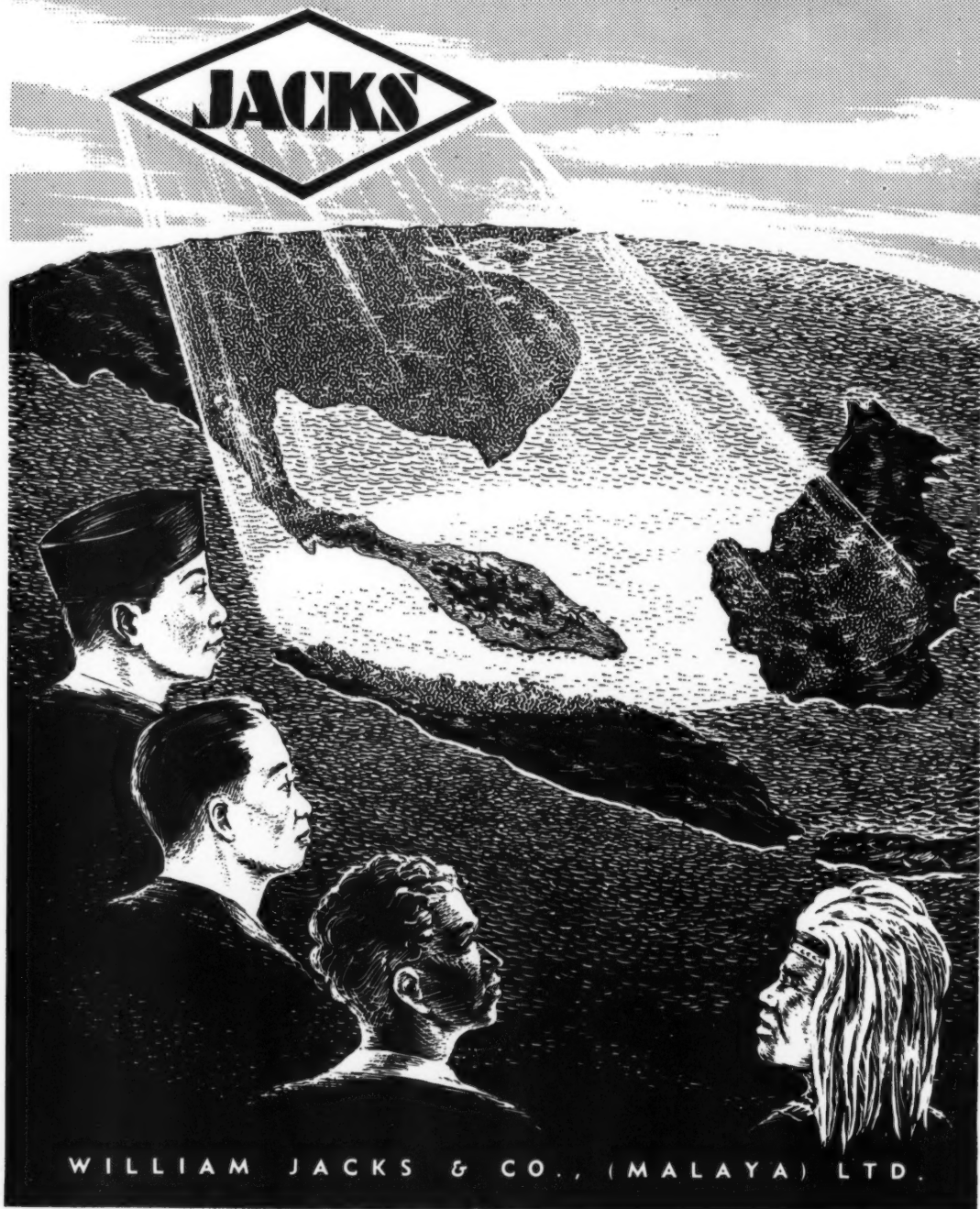
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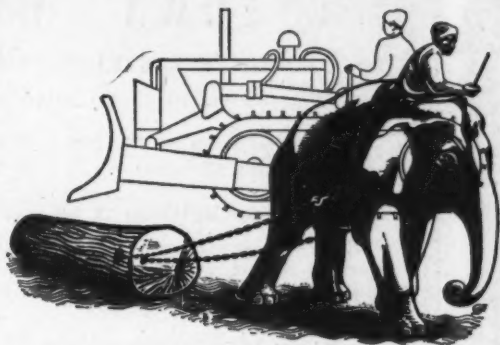
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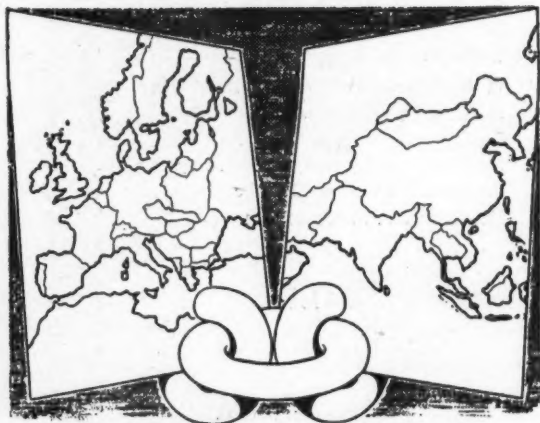
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EASTERN WORLD

58 PADDINGTON STREET, LONDON, W.1

TELEPHONE: WELBECK 7439

CABLES: TADICO, LONDON

EDITOR AND MANAGING DIRECTOR: H. C. TAUSSIG

DISTRIBUTION MANAGER: E. M. BIRD

SUBSCRIPTION: £1 10s. post free

AIR MAIL:—Subscriptions taken by air mail to all countries depend on cost of postage added to the basic subscription fee of £1 10s. (Present additional costs £3 pa.)

Registered for transmission to Canada including Newfoundland

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Believing in the freedom of the press, this journal represents a forum where articles containing many different, and often controversial opinions are published. They do not necessarily express the views or policy of this paper.

EASTERN WORLD

London February 1957

KASHMIR FOR WHOM?

NO two people agree on the future of Kashmir or on what should now be done to bring about a solution.

After nine years of dispute between India and Pakistan the issues have become so complicated and blurred that some merit can be seen in the argument of each side.

The integration of Kashmir into India has caused considerable heat and raised passions in Pakistan to dangerous levels. This bodes ill for the much desired friendship between the two countries. But the fact must be faced that no solution so far recommended for Kashmir would wholly satisfy both Karachi and Delhi.

Legally, India's is the weaker case. Having accepted the 1951 Security Council resolution calling for a plebiscite, she should be bound to see it honoured. India has been in the forefront in recent years in insisting that nations should abide by international obligations, and her present inconsistent attitude over Kashmir is bringing condemnation down upon her head. India's uncompromising stand on Kashmir, however, must be seen against the mounting suspicion in India of Pakistan's motives in world affairs. Probably too much blame has been laid at the feet of the Indian Prime Minister personally for India's stubbornness over Kashmir. The feelings of the people and political quarters have been ahead of Mr. Nehru for some time on this issue, and when the Indian press says that Britain and the West must bear much of the responsibility for Kashmir, it is merely giving voice to the general attitude current in India that there is no question of the State of Kashmir going to Pakistan now that she has been sucked into the western camp.

It is useless to deny the assumption, for even if it were not a genuine fear, Indians are convinced that it is. On the other hand, Indian views, and Indian actions as a consequence, are no easier to support because they may be right. Many progressively minded friends of India in Britain (such as the Labour Party) might agree with Indians in their view of Pakistan's world position, and many might also agree that Kashmir should go to India, but it would be disastrous for the same people who condemned Britain and France for flying in the face of the United Nations and world opinion over Suez, to support India on Kashmir, when India seems to be following the same course.

Outside of India's international obligation, and on the pure basis of Indian-Pakistan relations, much has changed in the past five years. Of the two countries, India has made the more determined strides towards economic and social stability, and this progress has been in part projected into Indian-occupied Kashmir. Pakistan, on the other hand, is still in a state of political and social flux, and her economic development does not bear comparison with India.

If it is in the interest of the State of Kashmir to benefit rapidly from being part of an existing structure of development, then it is right that the State goes to India. It is a question of which of the divorced parents is the better suited to bring up the child.

In short, it is preferable that Kashmir becomes part of a progressively enlightened country than to be integrated with one that has not found its political feet, and where privilege and "landlordism" continue to exert too much influence on government.

Against this theory there are popular arguments. The first is Pakistan's interest in Kashmir as a majority Muslim State. History has shown that partition of a region on grounds of religion and not of race is a mistake. If religion decided a community's citizenship, there would be no end to such claims the world over. Pakistan ought not to sustain a case on this score.

A second argument arises from the charge that in Indian-held Kashmir the people are so opposed to Indian occupation that suppressive measures have been necessary for the exercise of control, that civil liberties have had to be suppressed, and that the people, as the Pakistan Foreign Minister put it, "are ripe for revolution." Reports from tourists and journalists do not support this contention. It is true that the Indian administration in Kashmir is not a model of democratic government, but the Pakistan Foreign Minister would find his statement difficult to sustain if recent visitors to the State are to be believed. India should be very ready to allow these charges to be impartially examined.

By far the most serious weight given to the argument against India's conduct in the State is the recently circulated, and apparently well authenticated, letter written by Sheikh Mohammed Abdullah, the former Prime Minister of Kashmir,

who is now held in prison in Jammu. The charge he makes of suppression and conspiracy will have to be effectively answered by Delhi if India is to justify her contention that the people of Kashmir have already given their verdict in favour of India.

Then there is the argument—the one likely to be held strongest against India—that internationally obliged or not, India should allow the people of Kashmir to choose by plebiscite. But those who feel that a plebiscite, at this late stage, would provide a final solution, must scrutinise the issue realistically. A plebiscite now would create more problems than it solved. It would rekindle all the old communal

hatreds, which ever way the people chose. And if the Kashmiris expressed themselves for a State independent of both India and Pakistan, as they well might, what could then be done?

The situation has now reached deadlock, and it would be a bold prophet who would care to outline the course of events over the next few months. To whom Kashmir should really belong is an argument that will go on through time. Different opinions will be influenced by different views of the world situation. But whoever agrees with India's claim to Kashmir will find it extremely difficult to support her stand against the United Nations.

TAKING THE INITIATIVE IN MALAYA

AS an outcome of last month's talks in London between the Chief Minister of Malaya and the British Government, Malaya is to receive altogether about £33 million in grants over the next four to five years to meet the cost of the emergency. This is only about a third of what the Malayan delegation asked for; and they failed to get a loan over and above the grants. Money for economic development in Malaya will be considerably less than the amount for waging the enervating campaign against the terrorists in the jungle. The Chief Minister is not at all satisfied with what he is getting, and he has hinted that Malaya may turn to America for financial help. Such a move might well prove disastrous.

As far as defence arrangements are concerned, the agreement reached is satisfactory to the British Commonwealth, and within the framework of the difficulties Tunku Rahman finds himself in with regard to the presence of the Communist organisation in the jungle, it is not so distasteful to Malaya as it might well have seemed in any other circumstances. But will the presence of Commonwealth troops after Malayan independence, the creation of a large Malayan armed force, and the spending of large sums of money achieve the defeat of the terrorists? The Chief Minister himself is obviously not too sanguine. He is reported to have said on his return from London that he had no new ideas on how to defeat the Communists. Killing and capturing a few of the jungle leaders has not materially altered the situation over the past 12 months since self-government, and the amnesty was a signal failure. There are indications that the hold the jungle Communists have over large sections of the population, whether by fear or persuasion, is as deep as ever. It is not likely that full independence in itself, later this year, will do anything to the minds of the dissidents to give the Tunku the initiative, and until the emergency is ended Malaya will be retarded in her development as a sovereign nation.

As everyone knows, most of the jungle Communists are Chinese, and certainly the leadership is in the hands of them.

What they started as a war against colonialism continues as a war against something else. What? No one in Malaya seems to be able to put it into one round phrase. Even the Communists themselves, at the time of the negotiations last year, were unclear about their reasons. The Communists are not so senseless as to believe that their present methods could lead to a People's Republic of Malaya. Their function now is purely disruptive, and instances occur from time to time to show that they have friends (mostly Chinese) among the ordinary population who are actively or passively helpful in perpetuating the situation. These supporters are not all recruited through fear.

There must be reasons why these people are working against the creation of a stable, independent Malaya, while at the same time wanting to see the end of colonial rule. It is unfortunate that the political organisation behind the Malayan Government has not been sufficiently active in finding out what grievances exist, and in securing a remedy. Much of the trouble is economic, but the consuming disease is the endemic racial suspicion that the Malays and the Chinese have for each other. This problem looms as large today as it has ever done.

Some recent statements by Ministers, including the Tunku himself, have not done anything to allay the fears of the Chinese, and it is not sufficient to say that the Malayan Chinese Association — one of the parties in the governing alliance — has enough authority at the top levels to impress the Malayan Chinese point of view. The MCA's failing is that it ought to be more in touch with feelings among the urban Chinese, who are still inclined to believe that the Government party is "a party of privilege." This brings the racial issue back to the economic problem, for one feeds off the other. It is on the economic level that one would have thought the Malayan Government had much to perform. Although the Malayan people are much less poverty stricken than most in Asia, and although the literacy rate is high, a great deal needs to be done if the people are not, mistakenly or otherwise, to remain convinced that Malayan independence

in the long run means exchanging one privileged master for another. And as wealth in Malay minds is synonymous with the Chinese race, and privilege in Chinese minds means the Malay race, suspicions will remain inflamed.

All these intangibles are the factors against which the emergency continues in Malaya, and while it is clear that the Chief Minister is correct in saying that the Communist terrorist situation must be settled before Malaya can enter

into an era of progressive development, it is regrettable that apparently so little attention is due to be paid, and so little money due to be spent, on the economic side. Military measures will certainly have to continue for some time, but the task before the Malayan Government would seem to be to concentrate its unstinted effort in taking the initiative in social and economic matters out of the mouths of Chin Peng and his jungle mob.

INDIA'S SECOND ELECTION

THE second general election since India gained independence is due to start at the end of this month. Described on the first occasion as "the greatest demonstration of political democracy," it will take place this time without attendant novelty or suspense. Everywhere in the country there is a feeling of calm assurance. The organising ability of the administration and the political responsiveness of the people were proved in the 1951 election, in which 175 million voters, most of them illiterate and inexperienced in polling, elected the Union and States legislators.

The election campaign is now in full spate, with a very high poll expected at the end. But there is so little excitement, such a dearth of newsworthy romps by politicians, that foreign reporters are rather discouraged. Even the Communist Party, recognised as the most important of the opposition parties, supports the main lines of Government policy both in home and foreign affairs, and confines its criticism to questions of detail and execution. The election has therefore the character of an endorsement of Government policy, rather than a contest of rival factions. The country is united round the Second Five-Year Plan. The execution of the Plan takes precedence in the public mind even in the midst of the nationwide campaign.

The election, nonetheless, is regarded as a matter of the greatest importance in the life of the people. Some two hundred million men and women over 21 are eligible to vote. They will choose by secret ballot the 500 members of the Lok Sabha (House of the People), and the 3,100 of the State legislatures. The polling itself, spread from February 24 to March 12, will take place at about 200,000 polling stations, with a million officials to record the votes.

Four political parties are contesting the Lok Sabha seats—the governing Congress Party, the Communists, the Praja Socialists, and the Jan Sangh, which is a Hindu communalist party. The Socialists are so divided among themselves that as an opposition or alternative force to the Congress, they are the least effective. The Communists are generally regarded as the real, but hopelessly inadequate, opposition. They held only 17 seats in the last House, and though this time they have 100 candidates in the field, this is still only one-fifth of the House. Even if a great many of these win, they will still be far from a potential rival to the

Congress. Mr. Nehru, as an advocate of genuine, multi-party democracy, would like to see a worthy opposition and balancing force to the Congress Party in Parliament. It is in this sense that he has often privately expressed the wish for a better Communist representation in New Delhi. But this by no means signifies any disposition to slack. Congress will give no quarter, and the Communists will have to fight hard for every seat.

The Congress Party is not putting any new programme before the electorate. The Communists, hard put to it to find a live issue, are electioneering on the slogans of more nationalisation and leaving the Commonwealth. This is opposition for its own sake. The mass working-class demands supported by Communist Parties elsewhere have hardly yet become issues in India. The real battles are being fought on a different plane, with only a slender relation to class interests or economic and political programmes. Each individual candidate is being considered on his merits as a potential representative of the people.

Because of the unrivalled position of the Congress, India has in fact been able to function almost as a single-party State. There are, of course, many unsuitable people in high places, as the Prime Minister is well aware. He and the Congress high command are taking the opportunity presented by the election to get removed from the centre as well as the States nearly a third of the present members. New candidates must be approved on their record, and the selection committees are choosing, among others, a large number of women to replace inefficient or discredited men. In some parts of the country, the Left opposition parties were able to agree on a joint list of candidates to oppose the Congress nominees. Some Congress supporters frankly hope that a defeat for the Congress Party in a few States might facilitate a streamlining of the Party and bring more liveliness to India's internal politics.

With these peripheral exceptions, Congress is universally expected to remain in power, with many new representatives of tested leadership. The election may well demonstrate that a virtual one-party dictatorship can be at one and the same time a parliamentary democracy in the western sense, and yet a true and accurate representation of the people. On one thing all are agreed, however, that the new House after the election will have to prove it is really better than the last.

Comment

Loaded Diplomacy

IN an open bid for domination of the Middle East, the United States in the proposed "Eisenhower Doctrine" has warned off both friend and foe. Far from making any attempt at disguise, the Americans give blunt warning that it is designed to fill "the vacuum left by the destruction of British influence" in the area. The first effect has been to set at loggerheads the Middle East countries whom the US would protect and aid. Turkey, Iraq, Iran and Pakistan, all members of the Baghdad Pact, have welcomed the move, the others have turned against it. The Bandung countries further afield also find it distasteful. But the sharp *riposte* direct has come, as was to be expected, from the Soviet Union, fully backed for good measure by China.

It is strange to think that only a month ago, the US stood at the dizzy height of their world popularity. For firm opposition to war and colonialism on the Suez issue, they had become the champion of the lesser powers in the United Nations. At last the leadership of world opinion, for which America has fought so long and so hard, was within their grasp. Mr. Nehru's visit to Washington shortly before Christmas was the culmination of hopes that, in collaboration with India, the US was about to enter on the road of world-wide co-existence. On January 5, the cup slipped from President Eisenhower's grasp.

The "Eisenhower Doctrine" for the Middle East proposes to use American armed forces against "aggression . . . from any country controlled by international Communism"—a formulation whose implicit granting of license to aggression from any other source was not lost on Asians—and to undertake military and economic assistance to the countries desiring it. Mr. Dulles has described this as "the ammunition of peace." The Sino-Soviet reply, issued in Moscow on January 18, declared that these two countries "are ready" to give "the necessary support" to any country threatened in order "to prevent aggression and interference" in the area.

The Russian rejoinder was in keeping with cold-war rules, and not unexpected. But China's association with it came as a surprise. It is a matter for regret that China's assertion of her world-power status, however defensible otherwise, should have been shaped as a threat. In the 2,000 years of her history, she speaks for the first time with authority on a Middle East issue. President Nasser's projected visit to China comes as confirmation of China's new status.

The Sino-Soviet communique also mentions India as "a great power." So far, the western powers have failed to acknowledge this obvious status of India, thus once again leaving an important initiative to their opponents. The continued American refusal to admit China to the United Nations will now be coupled with a policy of ignoring her in the Mediterranean area. But China's weight has already been felt in eastern Europe and the Middle East as well as in South-East Asia.

Some writers now put forward as unassailable the proposition that China's accession to power and prestige

must mean a corresponding, automatic decrease for Russia. All the evidence from Eastern Europe and the Middle East seems to prove the contrary. States and peoples in these areas are taking fresh courage from the Sino-Soviet alliance. Mr. Nehru and the President of Syria have jointly condemned the new struggle for power over the Middle East. The point to note is that countries like Syria are now emboldened to speak their minds against the great powers of the West.

The involvement of the Middle East in an open quarrel between the United States and the Sino-Soviet powers is not yet unavoidable. Some months ago a solution of the Suez question was possible without China's participation. But if the US now insists on keeping China out of a Suez settlement, especially without the consent of both China and Egypt, there can hardly be any escape from another grave crisis. The "Eisenhower Doctrine," like the defunct "Truman Doctrine," is likely to die before it has lived. But first, by provoking China, it will have filled the sort of vacuums it was never meant to.

Chou In Kabul

MR. Chou En-lai's visit to Afghanistan has hardly been mentioned in the British or other West European press.

Yet an American journalist who commented that politics will never be the same in any of the countries that Mr. Chou has passed through was probably very close to the truth. This certainly applies to the Soviet Union, Poland and Hungary in Europe, and Burma and Cambodia in the East. The effect of Chou's impact on India, Afghanistan, Nepal, Pakistan and Ceylon, however, will probably take longer to become apparent.

In feudal, monarchical Afghanistan, the proconsul of the highest ranks of Chinese Communism was royally fêted. There was hospitality of a truly Asian order, with mutual friendliness as lavish. The Prime Minister of China gave unstinted approval to his hosts' acceptance of American aid. At the very moment he was approaching Kabul, it was being said in Washington that United States aid to Afghanistan was "countering Moscow" by developing civil airlines and airports, and advising on irrigation and surveying problems. In Kandahar, after inspecting the dams of the Helmand valley project, the pride of Afghanistan, helped in part by loans from the American Export-Import Bank, and with a West German engineer in charge, Mr. Chou said that in carrying out long-term development plans, "all help coming from other countries that proved effective and well-intended was to be welcomed." At another place, the Soroubi hydro-electric power site, he encountered West German and Soviet engineers working side by side.

He was shown enough to convince him that modernising pressures were at work in Afghanistan, and stressed that in their history "there had never been war or conflict, but (only) friendship and sympathy." Premier Daud, commenting on the friendly spirit in which they were meeting, said that "whenever we met and visited each other in the long past,

we benefited from and contributed to each other's knowledge and prosperity." Both paid tribute to the Bandung Conference and the five principles of peaceful co-existence as the guiding line of their relation.

Colombo Plan Report

ONE of the main problems confronting the countries of South-East Asia in the drive for economic development is to increase industrial potential without in any way impairing the necessary increase in production of food. An expanding urban population, with a consequent drawing off from the rural population, means that methods have to be instituted where more food is produced by fewer people, paralleled with industrialisation. The fifth annual Colombo Plan report points out that during the past year production has kept only a little way in front of the growth of population. The problem facing the countries of the region in raising living standards is not only how to increase agricultural production alongside that of industrial output in general terms, but to make both agricultural and industrial production overtake the rapidly expanding population. Although the planning and execution of economic development programmes have increased in the past year, the report says that if the countries are to accelerate there must be greater cooperation between them, and the area must receive more help from outside.

The report concludes by focusing attention on the problems of choosing between current consumption needs and future investment. It says that investment from private sources, and external private and public loans, will have an important part to play in the future if development is to keep up at its present pace. In the context of South-East Asia's needs, the Colombo Plan only plays a small part. From what the report says about the future, it seems that the Plan will have to be vastly expanded to meet the continuing requirements of the area.

Laos United

AFTER weeks of negotiation, agreement to form a coalition government has been reached between Prince Souvanna Phouma, Premier of the Laotian Government, and Prince Souphanouvong, leader of the Pathet Lao Fighting Units. Their joint communiqué, signed on December 29, was a manifesto of national unity and desire for independence. It is no secret that both the negotiations and the outcome were contrary to American policy in the area. The end of division in Laos, however, conforms to the Geneva agreement of 1954.

Under the coalition government, the Pathet Lao Fighting Units, and the two provinces controlled by them, Sam Neua and Phongsaly, will be integrated without disqualifications of any kind into the rest of the State. There will be joint political and military committees to decide on issues arising from the decision. Both sides noted that since their agreements of August 5 and 10, 1956, for the cessation of military operations, good results have been scored in the protection of the civil rights of the people and in pursuit of a peaceful and neutral policy. In the small population of Laos (3.5 million), the agreement will also lead to a consolidation of the nation's administrative man-power—a crying need in all undeveloped countries.

The Powell Case

IN the fourth quarter of last year the uncommitted countries of Asia began to take a more favourable view of the United States—for the first time since the Korean War. There is, therefore, even far beyond these countries, an expectation that the US, reciprocating these sentiments, may very soon revise its attitude towards China. As Mr. Chou En-lai has indicated, China has already taken a number of steps to thaw the frozen relations between the two countries, while the US has so far done practically nothing.

Of the many things the Americans could do in this matter, one that would be widely welcomed, not only in China but in other countries, too, would be a fresh approach, along lawful and democratic lines, to the Powell Case.

On April 25, 1956, three American citizens, John and Sylvia Powell and Julian Schuman, were indicted by a Federal Grand Jury in San Francisco on charges of sedition. They are accused of publishing false reports of the Korean War in the *China Monthly Review*, a paper, started 40 years ago by Powell's father, published and edited in China by Powell and his wife. In 1953, when, owing to lack of funds, the paper had to cease publication, they returned to America. Three years later, they were accused and now face long trials and an almost endless succession of penalties. The possible total, on conviction, amounts for John Powell to 260 years imprisonment plus a fine of \$130,000. His wife Sylvia and their assistant Schuman are likewise in danger of long prison sentences and heavy fines.

The Powells maintain that theirs is a "freedom-of-the-press case from start to finish": as trained and conscientious journalists, they reported facts, and their own comments based on those facts. A Powell-Schuman Defence Committee was recently established in San Francisco to fight the case, and is appealing for funds. Its appeal recalls the words of Thomas Jefferson:—

Our liberty depends on the freedom of the press, and that cannot be limited without being lost.

The Powells' real offence was their critical attitude towards the American action in Korea. For this, however, they appear to have been already considerably punished. Their paper was not allowed through the American post, and was thus cut off from its principal public and income. This was the chief reason for the paper's demise. On their return home, the editors were continually harassed by Congressional inquiry committees, and normal journalistic employment was made impossible for them.

Yet notwithstanding the numerous infringements of press freedom in the US, that country is one of those in which the demand for it remains most insistent. The most recent case in point is that of the three American journalists who went to China in defiance of a State Department threat to revoke their passports on their return. They are William Worthy, of the *Baltimore Afro-American*, and the two *Look* correspondents, Edmund Stevens and Philip Hollington. There have been strong protests from the widest sections of the American press. The witch-hunt psychosis appears to be losing its hold in America; it is to be hoped that neither press nor public opinion will remain quiescent in the Powell Case.

RELIGION AND STATE IN CHINA

By H. C. Taussig

(Editor of EASTERN WORLD, who has recently returned from a tour of China)

IN Hong Kong, before leaving for China, I was given the most elaborate accounts of how religion was suppressed under the new Chinese regime. Churches were closed, I was told, Christianity practically stamped out, those few who still met to pray were subject to persecution and 2,000 priests had been thrown into prison. On top of this, I was informed, the Pope had excommunicated all Chinese Catholics. I also noted that returning travellers who dared to maintain that religion was free in China, met with a storm of indignation and starry-eyed disbelief.

For three months I travelled all over China, and had ample opportunity of observing the actual position of religion in that country. On the very first morning after my arrival in Peking I was wakened by determined hymn singing which seemed to come from right under my window. Had it not been so mercilessly out of tune I would not have bothered to investigate it. But this disharmonious fact, together with the choir's insistence on singing more bars than any hymn can possibly have, led me to establish that there was a Protestant Church just opposite my hotel. I could see through its open windows a congregation of about 300, worshipping in peace, as they would anywhere in Christendom. Remembering my Hong Kong informants, I was astounded to see this tranquil picture.

Since then I have visited Churches, Mosques, Buddhist and Taoist Temples all over China from Manchuria and Sinkiang to the borders of Tibet. I spoke to Priests, Lamas and Imams as well as to members of the various religious communities. Contrary to my expectations, they had no complaints. Indeed, they all expressed their satisfaction with the present relationship between their respective Churches and the Chinese Government. They particularly mentioned that the Government readily repaired and renovated their temples and that, surprisingly, congregations were on the increase in some parts of the country. This, according to Imam Japer of Turgan, Sinkiang, was due to improved living conditions of the people who were also able to contribute more to religious funds. But where this was not yet the case, and wherever economic difficulties arose, all priests were unanimous in pointing out that they could rely on government help. "During the Kuomintang regime," the Priest of the "Sleeping Dragon" Temple in Sian told me, "my Temple was used as an arms dump and for garrisoning. Now it has been repaired and hundreds come to worship here daily. So why should I complain?" Temples and Mosques, which for generations had been allowed to fall into decay, have, often at colossal cost, been restored. In some cases, it is true, the repairs which occasionally involve complete reconstruction as for instance at the Temple near the "Flying Peak" at Hangchow, are being carried out in order to preserve cultural relics. China is spending many millions on

the restoration of her cultural heritage, and religious communities indirectly benefit from this policy. But apart from this consideration, places of worship have been and are being repaired and reconditioned all over the country either with government help or, if the community is unable to contribute, entirely at State cost.

What have the religious communities to pay for this? Have they to compromise their beliefs, have they to preach Marxist-Leninist doctrines from the pulpits? Priests, Monks and Nuns I interviewed on that subject say no. All one has to do, they say, is not to attack the Government. Otherwise one is free to carry out religious practices. "The Government will not only not interfere, but will actually help in cases of difficulty," was the general verdict.

One Sunday morning I went to the Catholic Church of Jesus's Holy Heart in Mukden, and found it overflowing with people. I spoke to a prominent member of the community, a certain Mr. Han. He said that it was quite true that the Chinese people were free to believe any religion they liked, and that his particular Church had had evidence of the Government's friendly attitude. "In 1954," Mr. Han said, "we had a financial crisis and could not heat the Church. The Government gave us 2,200 yuan to buy coal. Our financial situation was then examined, and as we were in difficulties because people living in houses belonging to the Church did not pay the rent, the Government persuaded our tenants to pay their rent punctually. At the same time, our houses were exempt from tax, and even our vegetable gardens were freed from land tax."

Mr. Han was astonished to hear that people outside China seem to think religion was not free. "They must have other motives," he commented. It was a fact, he agreed, that the views of Catholics and Communists were different insofar as the Communists did not believe in God, and the Catholics did. But otherwise, Mr. Han thought, all Chinese Catholics supported the common aim of all Chinese to build up an independent and strong country. And that was sufficient for the Communist Government not to interfere with the religious communities and on the contrary, to help them. There were Buddhist and Taoist Temples in Mukden, and five out of the ten Christian Churches belonged to the 3,000 Catholics there. He had heard that some priests were in prison. As far as he knew they were Chinese who were held not because they were priests, but because they had been politically active against the Government, and had therefore worked against the wellbeing of the people, including Catholics.

Mr. Han had not heard that Rome did not recognise the Chinese Catholics, and repudiated such an idea. "In religious affairs we are closely connected with Rome," he said.

"The Pope asked us in 1954 to observe the Holy Year. He also instructed us to reform the confession ceremony, and last year we were told to decrease the duties of our priests by reducing their daily amount of reading of the bible. We always look to Rome for guidance and accept the Pope's leadership in religious matters."

It is true that this attitude of the Catholics has gradually developed on the basis of their experiences with the Government. There was certainly tension between the State and the Catholics some time ago, because of the peculiar international connection of the Church. While the Chinese Catholics were prepared enough to come to a Concordat with Peking, the Central Government looked with suspicion at the possible influence Rome might have, not on the religious, but the political attitude of its flock.

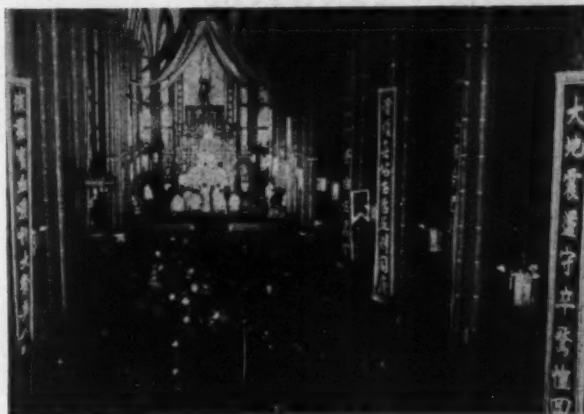
Thus, when Premier Chou En-lai took up contact with Church leaders in June 1950, he first of all invited only Protestants to Peking to clarify his Government's position towards the Churches. He said, in fact, quite openly: "We think you are wrong, you think we are. But we let you go on teaching and convert people, provided you continue your social services. We take the risk of your continuing to preach. We know you will not convince many people."

But apparently the whole question of religion was of greater impact than it appeared at that time. In 1951 a Bureau of Religious Affairs was set up to carry out the religious policy of the State, and to keep in constant contact with the leaders of the various religious communities. It was also charged with the duty to settle any concrete problems which may arise in religious circles.

There are five recognised religions in China: Buddhism and Taoism both with so many believers that it is officially impossible to estimate their numbers, Islam with 10 million Muslims, the Catholic Church with 3 million, and the Protestant Churches with 700,000 adherents. The official policy of the Chinese People's Republic towards religion is simple: freedom of religion is guaranteed to its people.

How this policy, in fact, works out, I discussed with Mr. Ho Chen-shiang, Head of the Bureau of Religious Affairs. "For several years now," he said, "we have stuck to this policy, and have been living in harmony with religious circles because of it." In fact, the underlying ideology of the Chinese Communist Government considers religion as a superstition, but a superstition of an idealistic nature with which it does not interfere and which it tolerates. "Our Government can cooperate with religious circles and coexist with them on the basis of mutual respect, despite being atheist," Mr. Ho said. "Before liberation, missionaries and religious communities were used as tools by the imperialists. But now our churches should be administered by the people. This realisation induced the leaders of the Protestant churches to sponsor the 'Three-Self' movement: self-administration, self-support and propaganda. If economic difficulties arise, we can consult with each other, as long as religious communities and the State unite to carry out our common programme of construction of the country."

As far as the Catholics are concerned, Mr. Ho still has some reservations. Although he admits that they are administered by their own national organisations, he cannot overlook the fact that they look to Rome for guidance. And he cannot forget that, according to him, Rome looked to the Chinese Catholics as a possible hope in undermining the State. These influences, Mr. Ho maintains, force him to look upon the Catholics even today as less progressive than the Protestants. The various difficulties which have arisen from time to time have, Mr. Ho thinks, been exaggerated abroad. "There has been no breach with the Pope," Mr. Ho said, "but in autumn 1955 the Catholic Bishop Kong Ping-mei was arrested in his Shanghai diocese for counter-revolutionary



A view of the Catholic church, Peking, during midnight mass, Christmas, 1956. (Picture by courtesy Yeh Shih-fu, Singapore)

activities. Afterwards, an acting Bishop, Chang Sui-Ian, was elected by Chinese Catholics and his name submitted to the Pope for approval. However, the Vatican did not agree. Maintaining that, after the Bishop's arrest, his successor should be chosen by Rome, an acting Bishop was appointed. But the name chosen by Rome was unfortunate as the appointee was also under arrest as a counter-revolutionary. A second submission was, therefore, made by the Chinese Catholics, but they have not yet received an answer from Rome.

"The Jesuit rumours that all Chinese Catholics have been excommunicated by the Pope are simply not true. Similarly baseless are false reports that over 2,000 foreign priests are under arrest in China. In fact, there are about 10 foreign priests and nuns in prison, but not for their religious activities, but for political offences. With the rest of the Catholic community, as indeed with all religious bodies in our country, we live on the best of terms. But it is our policy that the Catholics can have purely religious, but not political or economic, relations with Rome." The new China was not banning foreign missionaries, Mr. Ho said. They were welcomed to visit China, but only as visitors and not as preachers except if specially requested by a church. "We think we can preach the Gospel ourselves," Mr. Ho said. "We have not launched a mass movement against religion. But we have published leaflets criticising religion and explaining to the people what religion means and why we consider it a super-

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stitution. Even in schools we have no anti-religious teaching, though we have introduced classes in materialist philosophy."

Mr. Ho, grey-haired, cultured and subtle, embodies the whole, often enigmatic attitude of China's new rulers to the complicated problems of human relations: a maturity which allows for flexibility based on tolerance and patience which arises from the consciousness of power and ultimate triumph. This, possibly, explains the apparent contradiction in the Chinese Government's attitude towards the whole religious question. On the one hand they consider religion a superstition which is doomed to spend itself. On the other, they actually help in its propagation. "It will take a long time for religion to die out in China," Mr. Ho said with a sad smile. "It is, therefore, necessary to set up theological colleges to cultivate new priests. We have big Protestant colleges in Peking and Nanking, in Shanghai and Chungking. We have altogether 28 Catholic seminaries of various sizes, and we maintain Buddhist and Muslim colleges as well. Generally speaking, we favour places of worship being maintained by the communities themselves, and with the increasing prosperity all over the country this is also more and more the case. But from the time immediately after liberation until now, religious bodies usually could not afford to put their temples in order, and the State either paid the difference or undertook the whole repair work. We look upon repairs of churches, temples and mosques from two points of view:

(1) whether they are relics which should be restored and preserved, and (2) whether they are places required for worship. Roughly, there are 40,000 Buddhist temples, 40,000 mosques (58 in Peking alone), 15,000 Catholic churches, 10,000 Taoist temples, and 9,000 Protestant churches. Not only with regard to repair work, but also generally, whenever a religious community is in financial difficulty, the State always comes to its rescue."

There is no doubt in my mind that there is no enthusiasm about religion amongst China's new rulers. But to say that religious practice is not free is utterly untrue. The whole, apparently inconsistent attitude towards religion by a Government which showers benefaction on institutions which it considers doomed, may seem unbelievable, but it can be rationally explained.

The Communists are of the opinion that religions are produced when people cannot explain and overcome natural calamities which they attribute to supernatural powers. They argue that religion is being formed when society enters into the stage of class society and when people suffer from oppres-



Mr. H. S. Suhrawardy, Prime Minister of Pakistan, is seen (in dark hat) offering Juma Prayer at Peking Mosque during his recent visit to China

sion and set their hopes in God and a more satisfactory life after death. Thus, the Chinese Government is of the opinion that when science progresses and people will be able to control nature, and when classes will be completely abolished, religion will decay. At the same time, they realise that at present religion is still the belief of the broad masses. And they are wise enough to know that belief cannot be abolished by decree. "We have a Government of the people, so the Government pays respect to the people's beliefs which are the fundamental right of the citizen," Mr. Ho said.

What is happening to religion in China today is nothing more than happened in Europe centuries ago, only this time with less bloodshed: a division between Church and State based upon mutual non-interference. To assail this arrangement from outside cannot be justified on religious grounds, but must be taken as a political move.

U.S. — INDIAN RELATIONS

By K. P. Ghosh

IN the second half of 1956 all the major powers came under the compulsive need to consider revising their foreign policies. Events in Egypt, Britain and Hungary revealed that the superficially set mould of the relation of the great powers to their respective "spheres of influence" was cracking under the stress of forces that proved not to have been taken sufficiently into account, either by the policy-makers of these powers themselves, or by their political observers. Unforeseen developments, including in all these places a public will with a gathering momentum of its own, introduced into world affairs a much higher degree of unpredictability. All power relations today are seen to be in a greater state of flux than ever.

In these circumstances, the steadily growing interest in the development of United States-Indian relations takes on a new meaning. The world's greatest industrial and economic power-house, in cooperation with the leading representative of the uncommitted Afro-Asian millions, it was widely felt, could help to turn world affairs into more fruitful ways. Much wishful speculation followed Mr. Nehru's visit to President Eisenhower last December, only to be cut short by the "Eisenhower Doctrine." This proposal to bring the Middle-East under an American umbrella brought immediate disillusionment, though it has not destroyed all hope, either in America or India, that somehow, in spite of all obstacles, the two countries may yet be brought closer together.

As they stand, however, the Indian and American foreign policies cannot be truly aligned, for they are divergent both in method and objective. Under the influence of the cold war, Americans have misunderstood and misinterpreted many Indian moves as hostile to the West. Conversely, the Indian and Asian peoples generally have suspected — and to a great extent still suspect — the United States and its allies of imperialist aims. Yet in other fields these differences have not prevented a spirit of considerable friendliness and cooperation between the two countries. This is possible because their policies, though divergent, are not in opposition, nor in any way contending for power against each other. Compared with the American unqualified rejection of the Soviet Union and China, the anomaly of Indo-American diplomatic antagonism coupled with many-sided economic and cultural cooperation remains a mystery to most observers.

The basis of divergence between the two countries is not far to seek. The declared aim and principle of the Indian State and its various political parties is the establishment of a Socialist society by peaceful, democratic methods. The external requisite of this aim, in other words the task of Indian diplomacy, is to work for the abolition of colonialism

and racialism on a world-wide scale, and for permanent peace and cooperation among nations.

The United States, on the other hand, has no explicit social aim as an integral part of their national function. The purpose of American foreign policy is primarily to safeguard its "national interests" as a great power. Eminent American students of political science, such as Walter Lippmann and Hans Morgenthau, have repeatedly affirmed this as the guiding principle. The Socialism of India is still a nebulous conception, without clear definition or doctrinal pressures, while America, conscious of her position as the greatest power, claims "world leadership" in "the American century." India is a fervent advocate of sovereign independence for all nations, while the US regards unrestricted sovereignty for all as obstructive to the kind of world order it envisages.

Indo-American dialectical opposition thus has its roots in the difference in national outlook between the two countries. Fruitful cooperation between them nevertheless remains possible because both recognise that neither nation's stand is as definite or rigid as may appear from its formal pronouncements. The speeches and writings of Adlai Stevenson, Chief Justice Warren, Chester Bowles and many other Americans of a liberal and Democratic persuasion, have long advocated understanding cooperation with Mr. Nehru. India has still a long road before it reaches a Socialist society, as America well knows. America's ambition for world leadership on the other hand is a dictator's dream of by-gone days, and India is confident that in any case America has not the "know-how" for it. So the Americans try to dissuade India from the Socialist path, while India protests against and seeks to frustrate every American attempt to expand their "sphere of influence."

Ever since the time of the Korean war, Indo-American differences in international affairs have been numerous and often sharp in tone. American policy as expressed through the military aid agreement with Pakistan, SEATO, support for the Baghdad Pact, and now the "Eisenhower Doctrine," all have the aspect of unfriendly pacts ringing India. The latter's most successful *riposte* has been the organisation of Afro-Asian unity under the Bandung flag. Many American political commentators believe that with the passing of time, Bandung has proved a very potent political force.

Mr. Nehru, backed by all the political parties — Congress, Communist and Socialist — where suspicion and opposition to military pacts is extremely bitter — has attacked these pacts as increasingly useless. Since the spring of 1953, such Indo-US tussles in diplomacy have become a regular feature of world affairs, and much personal abuse has been lavished in both countries on the other's spokesmen. It was over the Suez issue that the change came, with the US giving

The writer is an Indian journalist living in Britain. He is a regular contributor to EASTERN WORLD.

full support to the Afro-Asian countries in the United Nations. For the first time in nearly a decade, America and India spoke in unison and, with the Soviet *bloc* also on the same side, the UN appeared once again as the genuine forum of world opinion. It makes no difference to the practical effect that the US had its own reasons in this matter, namely, to win over Afro-Asian opinion to its side, and to oust British and French influence in North Africa.

At this point in history, Nehru's visit to America roused hopes of brave reorientations in the world. A vast crusade against colonialism seemed possible, as well as *rapprochement* between the US and the Soviet-Chinese *bloc*, with agreement on disarmament reasonably soon to follow. While on his way back to India Mr. Nehru himself, in between his repeated cautions against unrestrained optimism, hinted at the hopeful possibilities arising from his talks with President Eisenhower. Apart from pained reactions in circles close to the British Government, the consensus of informed opinion was that cordial relations between India and the United States could do nothing but good to the rest of the world.

Then came the guillotine of the "Eisenhower Doctrine." So far, though India takes a most serious view of this new Middle East policy, there has been a certain restraint in the public expression of condemnation. There are good reasons for this: primarily, no doubt, Indian preoccupations with the forthcoming general elections, and the constructive work of the Second Five-Year Plan, but also the confident belief that it will not be possible for the "Eisenhower Doctrine" to make headway against the concerted opposition of not only the Arab, but the whole Afro-Asian world. Indians on the whole prefer to believe that the second term of Mr. Eisenhower's Presidency will see a change for the better in the American attitude towards India.

Meanwhile, India is by no means unaware that powerful circles in America still regard India as the testing-ground for any US policy for Asia, where the bias towards Socialism must be curbed at the Indian source. Moreover, in spite of the continued desire for more fruitful relations with the US, there has been little change in the general Indian opinion that that country remains the last word in a streamlined imperialism adapting itself to new codes in international behaviour. There is a growing conviction, however, that the current trend of world affairs runs against American aspirations, and with Indian aims. While it is recognised that no outside power or pressure of opinion can force the most powerful State in the world against its will, there is a resilient belief in the basic reality of American democracy, in which the citizens themselves are the ultimate repository of all power.

It has become clear to both countries that they now need each other's goodwill as a primary factor in their diplomacy. So long as India doubted American intentions, and stood aside or even opposed them, the US could make no progress in winning the confidence of other Asian or African peoples either. The moral burden of carrying Syngman Rhee, Chiang Kai-shek, and Ngo Dinh Diem, and persistence in the obso-

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lescent policy of setting up military pacts can be lightened only by acquiring friends like India, whose bona fides are accepted in the newly independent countries.

American-Indian understanding is also an essential preliminary to the establishment of a *modus vivendi* with the Socialist *bloc*. Since the Geneva "summit" conference in 1954, it has become an agreed point in political thinking that if the great powers are to "co-exist" in peace, then all of them must first banish all points of friction with the uncommitted nations. The first lap runs through India. For India, too, if she is to be a "bridge" between the contending East and West—as Mr. Nehru has lately defined it—the first need is to reach an understanding with the US. India's relations with Britain, the Soviet Union and China have for some years had an established stability and reliability. Successful "bridgemanhip" requires similar confident relations with America. Only in the context of a settled, world-wide co-existence can India ever feel easy about American arms in Pakistan and other parts of Asia and Arabia, or quite free of misgivings when accepting American loans and aid for her industrialisation schemes.

Above all the *time* is propitious. The aberrations from commonsense, to put it at its mildest, in Egypt and Hungary, as well as the "Eisenhower Doctrine," have already been exposed as completely out of tune with the world today. During the Egyptian and Hungarian crises, more voices than ever were raised all over the world to enroll India as a peace-maker in the trouble spots themselves and between the great powers. The need still exists.

Mr. Nehru has invited President Eisenhower to India this year, so the two may meet again fairly soon. By the time that happens, Indo-American economic cooperation will probably have reached a considerable scale; there may also be an altered estimation of Indian aims in America. But far beyond the importance to themselves of better relations between these two countries are the implications to the world. This indeed is the reason why interest in the December meeting of these two heads of State was so much livelier and more widespread than on any previous occasion. In spite of setbacks, people everywhere have begun to sense that such Indo-American meetings, however tentative, are the first signs ushering in a period of radically altered international relations.

The Orthodox Party of Pakistan

By Herbert Feldman (EASTERN WORLD Karachi Correspondent)

AMONG the many political organisations existing in Pakistan, the Jama'at-i-Islami (the Islamic Party) today deserves serious notice and, in later years, may well compel it. It differs from parties such as the Muslim League, the Awami League and the Republican Party in that they follow western patterns in organisation and political ideas. It differs from parties such as the Ahrars, the Jama'at-ul-Ulema-i-Pakistan and such others, because, although it shares the same reliance on Islam as the true source of social, political and economic teaching, the Jama'at-i-Islami possesses its own programme and discipline, prescribed by its founder, Maulana Abul Ala Maududi.

The Jama'at was first established in 1941 at Pathankot in the Punjab and its professed object is "To organise the entire human life in all its aspects — faith and ideology, religion and ethics, morality and character, education and training, economic and political system, social structure, law and judiciary, war and peace, national and international affairs — on the principles of explicit obedience to God-Almighty as enjoined by His apostle." The learned authors of the Report on the Punjab disturbances of 1953 interpret the ideology of the Jama'at in the following words: "It aims at the establishment of the sovereignty of Allah throughout the world which, in other words, means the establishment of a religio-political system which the Jama'at calls Islam."

The effect of this ideology — which need not now be further discussed in general terms — was, in India before the partition, to have the peculiar result that while the Jama'at was actively engaged in advancing the cause of Islam, it was also in conflict with the Muslim League and the Pakistan movement, for the reason that the Jama'at does not recognise any form of government which is not founded upon its own conceptions.

In 1947 the Jama'at was split into two, and Maududi came to Pakistan where he established a new constitution for his organisation and where he has since been actively engaged in politics. The fragment left in India still exists where it continues to propagate its own views on politics as well as social and economic questions. Its existence has given rise to the suspicion, probably unfounded, that the Jama'at in Pakistan receives funds from India for the purpose of carrying on disruptive activities.

However this may be, the Jama'at in Pakistan, consistent with its own views of a world-order, has at all times found itself in opposition to the Government which it has repeatedly declared to be not only un-Islamic, but even opposed to Islam and, furthermore, indifferent to the genuine Islamic aspirations of the Muslim masses. The Editor of the English version of Maududi's *Islamic Law and Constitution* writes in the Introduction, which is dated May 1955, "... the masses are imbued with the spirit of Islam. They are inspired

by Islamic ideals and want the Islamic way of life to guide the destiny of their country. . . . On the other hand, those who inherited the political power from the British have imbibed the anti-religious thought and culture of the West. . . ." This extract reveals clearly enough the basis of political activity of the Jama'at which has been pursued with uncompromising energy. As a result, Maududi was arrested in 1948 under the Punjab Public Safety Act and kept in detention for twenty months. After the Punjab disturbances of 1953 he was arrested and tried by court-martial on two charges and was sentenced to death. He refused to submit an Appeal for Mercy but in any case the sentence was commuted to fourteen years' imprisonment of which he actually served three and was then released.

Maududi, who is the Amir (chief) of the Jama'at, was born at Aurangabad in the Deccan in 1903. His school studies were interrupted by his father's death which left the family in reduced circumstances, but he was by nature studious and he continued to educate himself. He became a journalist and in 1932 founded his own monthly, the *Tarjman-ul-Quran* of which he remained the editor until he was arrested in 1953 and through which he gave expression to his ideas on Islam and on the Muslim people as an international body with a world-mission.

In the pursuit of these ideas, Maududi is a prolific writer. From the time he wrote *Meaning and Purpose of Jihad in Islam*, when a young man, he is said to have produced more than sixty books and pamphlets, some of which are credited with sales amounting to more than 100,000 copies — very large figures indeed for the sub-continent. There is no doubt that Maududi has succeeded in impressing his ideas and personality on many people in Pakistan. He is variously spoken of as "a genius" who "belongs to the category of individuals who come to change the course of history." He is described as the "leader of the movement for Islamic renaissance" whose "political struggle is not only constitutional and democratic but is also amenable to moral and Islamic values." When he was sentenced to death there was a considerable outcry and it appeared even then most improbable that the Government would have the courage to permit execution of the sentence. Later, the agitation for his release from prison was sustained with skill and determination and although his release was ultimately determined by judicial process, his continued detention would certainly have become an increasing source of embarrassment to the authorities.

Describing itself as "the best organised, most influential and active party in the country," the Jama'at also claims that its organisation is "an example of what an Islamic democracy really means and how it functions." The Amir and the members of the Central Working Committee are elected directly by the members, and each administrative division has

its own Amir and working committee elected in similar fashion. But what is most interesting about the organisation as a whole is the insistence on good character and substantial ability before a candidate can be accepted for membership. The result is that in 1953 the total membership was estimated at only 999 but is said now to have grown to 1,200 persons. There are, however, friends and sympathisers who are expected to subscribe to the funds and participate in the work of the Jama'at. These fellow-travellers include professional men, civil servants, traders, merchants and other well-placed people.

The actual membership consists in fact of a cadre of devoted workers who contribute liberally from their incomes to the furtherance of its objects. The Jama'at relies much on social service as a means of making contact with the mass of the people and propagating its ideas among them. Free dispensaries are maintained; whenever natural catastrophies such as floods occur, the Jama'at workers will certainly be present to help in giving relief to the stricken. But the main emphasis is on education and members are encouraged to qualify themselves as teachers and having done so, to organise and teach in schools, day or evening. In a country where facilities for education are grossly inadequate and where people genuinely hunger for the chance to become literate, the importance of this work cannot be over-estimated.

No one who meets the members of the Jama'at can fail to be impressed by their simplicity, sincerity and single-mindedness. They are pleasant, well-mannered people, straightforward in their dealings, reasonable in controversy and very well-informed. Maududi has adopted the idea of maintaining high personal standards even if it be at the expense of numbers and his success is evident. It is only in recent years that Maududi's work has become accessible to English readers. The translations and standards of production are not first-rate, but they are certainly not unreadable and they are fairly representative of the general determination of the organisation to achieve as high a standard in all things as it can. The general purpose of his work towards an Islamic world-order has already been referred to. The present particular purpose is stated to be the establishment of Pakistan as an Islamic State where the Islamic way of life can be revived. Maududi expressed limited approval of the Constitution of Pakistan not because it satisfies the aspirations of his party, but because it contained the potentiality of being changed into a constitution conformable to them.

The underlying principle upon which all his views are based is that within Islam and the legal system which flows from it (the *Shariat*) will be found guidance as to the realisation of all the ideals which animate men and women and which they have long been seeking to attain through different but fallacious political gospels. In this notion, Maududi is to some extent indebted to Iqbal whose fundamental thesis was the universal nature of the Quran as a source of wisdom and knowledge. It is worth noticing that Maududi had been in touch with Iqbal and doubtless exchanged ideas with him.

In developing this first principle, Maududi has produced some suggestions which are interesting if not convincing.

Thus, his Islamic State is described as the most democratic institution conceivable because every believer is a vice-regent (Caliph) of God on earth and as such must participate in the government. Furthermore, "One Caliph is in no way inferior to another" so that no man can claim any superiority over any other except in point of piety — rank, wealth, attainment avail nothing. Similarly, on the subject of women's rights, Maududi holds that women may not participate in government because the Quran declares: "Men are in charge of women," but at the same time he suggests means whereby women can control, on a broad basis, those aspects of life with which they have prior concern such as women's education, women's medical care and so on.

Political institutions which are not derived in accordance with his first principle are dismissed as Satanic. These include Communism, Fascism and western democracy although in the international aspect of his views some resemblance to the first two is admitted. On all these issues, people reared on a diet of Hobbes, Descartes, Locke, Paine and Marx would find it next to impossible to debate any of them with the Jama'at. But this fact is, for all practical purposes, perhaps less important than the influence which the Jama'at is gaining in Pakistan. As recently as January 1956 the offices of the Jama'at and of its newspaper, *Tasneem*, were searched and a ban on the party was threatened. This is a pointed indication of the significance of an organisation of 1,200 members in a nation of eighty million people.

Maududi possesses a fund of genuine scholarship; he is an Arabist, learned in Islam and from his writings it is evident that he is familiar with western ideas although he does not exhibit the same profound grasp such as belonged to Iqbal. On his own ground, Maududi is no mean adversary and, if the English translations form any guide, he is an effective writer of polemics. For this purpose, a favourite theme is that of calling down contempt upon the godless magnates of Wall Street, upon the false gods of Popery and Brahminism and upon the immoralities of the West such as free mingling of the sexes, the obscene display of the female body, cosmetics, co-education and what are to him, other fleshly corruptions.

So far he has not tried conclusions with his political opponents by nominating candidates for election and it is unlikely he will do so until he considers he has sufficient prospect of success. In East Pakistan his chances are reduced by the hold which Maulana Bhashani exerts over the masses, but in West Pakistan Maududi's prospects are more favourable, especially as the better-known political parties seem bent on self-destruction. It is always possible that exasperation with the unending shilly-shallying of parties, with poverty and with the evident indifference of the well-to-do towards the necessities of the nation, may turn the masses towards an organisation which, whatever else may be said of it, pursues its ideas with unwavering adherence to principle and with determined perseverance.

Note: After this article was written, Maulana Maududi resigned as leader of the party, but has been persuaded by his followers to change his mind.—Ed.

The Changing Face of Baluchistan

By Sylvia Matheson

NOT even the most enthusiastic Baluchi could describe his country as a tourists' Paradise, but I happen to like deserts and the independent, proud tribesmen who populate them so sparsely. After several months spent in the Afghan desert I made a return visit to Baluchistan last year. It was seven years since I had last seen this vast wedge of hard, arid, desert thrust between the Indus Valley, the Arabian Sea, Iran and Afghanistan. Today it has lost its identity and become merged into West Pakistan, but the tribesmen still regard themselves first as Baluchis or Brahuis or Pathans, and only secondly as Pakistanis. One of Pakistan's problems today is that of trying to reverse this way of thinking and it is among her main arguments for the unification of the provinces of western Pakistan, achieved in October 1955.

But if Baluchistan has lost its name it had gained in other ways during the seven years I had been away. The road out of Quetta now passes a new textile factory employing two thousand workers; there are scores of surface wells supplementing the traditional karezes, while ninety miles away in Nushki, headquarters of the Chagai district that for years formed a buffer between Afghanistan and Kalat, the old bazaar has a new extension and the waste desert at the foot of the prehistoric mound is now green, thanks to good rains and recently-inspired cultivation by the local farmers.

Fifty-two years ago, Sir Auriel Stein, the famous archaeologist, noticed cooking vessels some 3,000 years old, emerging from the foundations of the Political Agent's bungalow, being built on top of the mound. The bungalow collapsed a few years ago, alleged by some to be due to my digging for archaeological remains, but by the more charitable to an earthquake tremor. Whatever the cause, a new bungalow has risen on the site and a sign of the changing times is the high white purdah wall surrounding part of it. For the Political Agents these days are mostly Pakistanis observing local custom and here, at all events, keeping their womenfolk strictly secluded.

Perhaps the most striking and far-reaching of all changes in the past few years has been the discovery and development of natural gas at Sui, a singularly inhospitable spot in the arid Bugti tribal territory at the foot of the Bolan pass. This is a district of whose two chief towns it was said, "Oh God, who didst create Sibi and Dadar, what need was there to create Hell!" Five years ago Sui consisted only of a mud-brick fortress in the middle of one of the world's hottest deserts, but the desert was an anticline, a fold containing natural gas. Today there is a landing strip used daily by aircraft bringing supplies and personnel from Karachi and key-

points along the 350 miles of pipeline. The Nissen-hut camp has been completely abandoned for widely-spaced concrete houses complete with refrigerators, air-conditioning plants, cooking stoves, water-heaters and washing-machines all powered by Sui's natural gas. A pipeline brings water from the Indus forty miles away and gardens are already being planted. There is a small hospital and a general store; there will be a cinema, school, club-house and golf-course.

The focal point of all this, the dull silver towers and snaking pipes rising from the desert itself, has been supplying natural gas for Karachi's industries for over a year. Yet the first well was only begun in 1951 and not until 1954 was the Sui Gas Transmission Company incorporated. Sui has the largest purification plant in Asia and there are plans to extend the pipeline for a further 400 miles to Lahore. It already crosses almost every kind of terrain, including three major rivers, a dozen canals of more than 250 feet in width and forty-five smaller canals. Pakistanis and Europeans alike are excited at the knowledge that here is Asia's largest gasfield, capable of providing some hundred million cubic feet of gas daily for the next hundred years; fuel that will save Pakistan's much-needed foreign currency and spur the production of her manufactured goods.

The Bugti tribesmen, proud members of Baluchistan's numerically most powerful tribe, and hitherto one of the least touched by "civilisation," have adapted themselves surprisingly well to this upheaval. Handsome, ringletted men, still wearing their baggy tribal dress and cumbersome turbans piled on their heads like outsize cottage loaves, men who a year ago had no idea how to lift a wheelbarrow, today trundle their loads with practised ease and enormous smiles across their bearded faces.

Two other changes are apparent in Baluchistan, one a gentle undercurrent, the other almost as dramatic as Sui in its impact. The first is the training and encouragement of the Brahui tribeswomen in making marketable their traditional embroidery of tiny mirrorwork. Organised initially by APWA (All-Pakistan Women's Association), the work is personally supervised by the wife of the Quetta Commissioner—they are one of the few remaining English couples in Pakistan Political Service. The second marked change is the introduction of tractors. Until a year ago no one had ever seen a tractor in Baluchistan. Then under the Colombo Plan Australia sent Pakistan 200 International tractors of which twenty reached Baluchistan. Ten of these went to Chaman, the frontier town on the southern boundary of Afghanistan and Baluchistan. The Commissioner's Assistant, a vital, energetic young Ghilzai from a village near Quetta, had just returned from a course of Public Administration in Canada, full of enthusiasm for what he had seen there and hoped to copy in Baluchistan. Together with the EAC (Extra Assistant

Sylvia Matheson, F.R.G.S., has visited Pakistan and India in connection with archaeological studies. She has now returned to Pakistan to live.

Commissioner) of Chaman, he arranged for the tractors to be seen on the job.

The EAC at Chaman these days is a burly bachelor with a rakishly-angled battered gold kulla cap bound round with the smart, stiffly-starched turban of the Pathans. With the air of a knight dashing into battle, he set his jeep at ditches and gullies and charged across ploughed fields in pursuit of the elusive tractors. Behind, his head hitting the jeep's roof, bumped the Agricultural Inspector, his only protection a soft, flat Swati cap and a gallant smile. It was obvious now why the EAC's stiff gold cap had a permanent dent.

The tractors were widely scattered as they ploughed up hitherto desert land right along the Afghan frontier. Each tractor had to be traced, admired and photographed, in the course of which procedure carpets would mysteriously appear in the midst of the ploughed fields, hard-boiled eggs, oranges and green tea would be spread thereon, and from time to time snowy-bearded elders of the Achakzai tribe, all well over six feet tall, would grace the scene to initiate a gentle game of "conkers" played with hard-boiled eggs, and to offer *landhi*, the dried meat that is stored for winter on top of tall poles, then cooked into a delicious curry. After each repast the jeep journey became more and more of a test of endurance.

Meanwhile, side by side with the Australian tractors, pairs of camels or donkeys worked in the traditional, slow-moving fashion — three-quarters of an acre daily per camel team, half an acre per donkey team — and twenty acres each tractor. Enthusiastic zamindars (landowners) have deposited ten thousand rupees already and pay seven rupees an hour to hire the tractors; some have even sold their animals although Government aid is available in cases of real need. "And God has been good to Quetta and Chaman," said the Commissioner's Assistant as it started raining. "They have had the first good rains here for ten years!" Indeed, the rain turned to a blinding snowstorm on the Khojak Pass, but on the Quetta side in the Pishin Valley, all was dry and sunny. "For some reason God appears to be displeased with Pishin, it has had no share in the rain," sighed the CA.

But if parts of Baluchistan were not so favoured with rain, the future outlook is still bright. New roads are being made, one two hundred mile stretch of tarmac from Zhob to Quetta will link Karachi with Lahore by a completely tarmac road; all bridges and culverts have already been completed and the first forty miles finished. Another road is to be built from Karachi to Quetta via Kalat, cutting the existing Sind route by about a hundred miles. New private and public enterprises have been started. A factory producing drugs from ephedra, a canning factory, a fine woollen mill — all are working at top speed. A chrome mine is shipping ore to the United States, and a marble quarry sending marble to Italy of all places! Salt and lead mines are being worked to a small degree too. But as the private businessman who is exploiting these enterprises said, "What our people really need is education. We need more schools with boarding facilities, where the nomads can send their children; not expensive schools, just simple food and somewhere for the boys to sleep." Girls?

"No, girls are not important." But everyone is keen to educate the boys. "We've plenty of intelligence here and could double the scholarship awards, given the funds," said the Commissioner. "But, of course, there's a desperate shortage of teachers."

And how do the inhabitants of former Baluchistan react to the integration of their province into Western Pakistan? Some acknowledge the advantages; the rich Punjab will share its surplus budget with its hitherto poor relations who will share, as a matter of right, the revenue resources of the whole of Western Pakistan. There will be free flow of trade — all this is true, they admit. Then lowering their voices to a whisper, as though the stony desert were full of listening Punjabi ears, they add, "But we have always been independent, we are Baluchis, we don't want these Punjabis coming here and governing us. And they will come; there are so many of them, and they have education and training."

It is precisely to dispel this fear that the Punjab, whose population is twice as large as that of Baluchistan, the North West Frontier Province, and Sind put together, forfeited its right to 60 percent representation in the new Legislature, agreeing to reduce this to 40 percent for the next ten years. Thus the smaller provinces (from the population standpoint), get more than their share. It is, in fact, the first time in history that the tribal areas have been represented at all, and just before the elections last February, candidates were busy haranguing the limited electorate (jirga members only, that is, tribal elders), over endless cups of green tea and, it is rumoured, in some districts party funds were being splashed around with somewhat unorthodox and open handed generosity. "So and so offered me three thousand rupees to vote for him," burst out one respected jirga member indignantly. "I said to him, 'This might buy my body, it cannot buy my soul!'" And in actual fact it seems that although there were undoubtedly attempts at bribery, these were regarded with extreme disfavour by those with votes to give.

The One Unit scheme that has brought these elections into being seems based on sound reasoning and if carried out in the right spirit should lead eventually to a common Pakistani outlook, destroying artificial economic and human barriers and supplying a single streamlined administration. Baluchistan should be the gainer, economically and educationally.

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ASIAN SURVEY

"A BAD PEACE IS BETTER THAN A GOOD WAR"

An exclusive interview with Ho Chi Minh

By The Editor of "Eastern World"

THE car sped through the still empty streets of Hanoi. President Ho Chi Minh has the disconcerting habit of fixing his appointments for the very early hours of the day, and I tried to concentrate my sleepy thoughts on the questions I intended to ask him at the interview. It was no good. Instead, in a half-dream, I wondered whether the man I was going to see would really be the Ho Chi Minh of the innumerable posters, pictures and reproductions which look down from walls and houses all over North Viet Nam. They create the impression of a gentle, rather frail man with a pale, kind but shy face dominated by a goat beard, a passive father of the nation, a philosopher rather than an active leader.

A moment later, after having climbed the impressive sweep of stairs to the Presidential Palace from where many a French Governor-General had ruled in the past, I was quite awake and found myself shaking hands with the President of North Viet Nam.

He is of medium size and healthy complexion, has grey-blue eyes which radiate intelligence and kindness at the same time, and I was glad to find the goat whiskers suited him very well. He was clad in a simple, khaki windcheater suit, neat and clean but jungle-bleached, his feet in beige socks and sandals. He was neither pale nor passive as we settled down to a "very early" cup of tea and small talk which he conducted in fluent English and with great charm. It was obvious that he wanted me to feel at home before the conversation gradually steered from the purely social to issues of greater significance. How, for example, was the consolidation of North Viet Nam's economy going on, and was he satisfied with his achievements?

Ho Chi Minh pointed out that there had been some progress. It was, after all, only two years since fighting had ended, and there had been many years of that fighting and of bitter sufferings. When the French went away, they had taken with them everything. "What they left behind," Ho Chi Minh said, "was misery and suffering. We had to start right from the beginning after all the destruction. Therefore, we can say we have made some progress. We have put a big textile factory into operation employing 8,000 workers and have built the railroad to the Chinese frontier. We repaired, and now work, the cement factory at Haiphong and mine anthracite at the Campha mines at the Bay d'Along." In addition, the President mentioned, the port of Haiphong was now functioning satisfactorily, and many preparatory steps were being taken aimed at the fullest exploitation of the rich mineral resources of the country. The biggest achievement has been the drive for self-sufficiency in rice. Two years ago North Viet Nam still had to import 2 million tons of rice from Burma, which had been done with Soviet help, but in 1956 the country was already producing slightly more than it needed for home consumption. Much remained to be done, however, and my question as to whether he was satisfied had to be answered

negatively. "Because," Ho Chi Minh said, "if we get something, we want something better. And if I were to think I was satisfied, I would know my vigour was gone and that I was finished."

Had there been any answers, I asked, to his various approaches to South Viet Nam to discuss the implementation of the Geneva Agreement? "South Viet Nam," the President answered, "may mean many things: it may mean the present regime there, or it may mean the people. The authority now in power in the South, is against our plan of reunification, which is based on the Geneva decisions. But the people, what you call the masses, agree with us, because our country is historically and economically a unit. In the South there is plenty of rice, while we in the North have mines and industries. If united, our economy can progress easily. The temporary division into two parts creates difficulties for both of us. There are many things like that. We have a proverb 'Unity is Force.' No sensible person wants to have his family divided."

If South Viet Nam, backed by the US, was not ready to agree to the Geneva provisions, I asked, would he be willing to consider any alternative peaceful solution? "I admit that this is a very important point," Ho Chi Minh answered, "which I should like to answer in two parts. The first is that nobody, even the American and the South Vietnamese regimes, can in the long run go against the will of the people. I feel that this can be more easily understood by the English than by many other people. The second is that we really think that the Geneva Agreement is a good one, and that its implementation would give us a peaceful solution to this, our most vital problem."

The President would agree, would he not, that there are strong forces working against this solution, and that there was a fear that he might win elections and the whole of Viet Nam become Communist. Would he, for example, agree to a coalition government or to any other, perhaps gradual step towards reunification. Ho Chi Minh thought for a while. "We can utilise different diplomatic approaches to achieve this aim," he said, "for in the end it all comes back to free elections where people can express their wishes."

Would he guarantee free elections?

"Most certainly yes," Ho Chi Minh replied. He believed in really free elections where the people can choose between Communists, Socialists, Neutralists and, what he calls, Reactionaries. Just as people in England can vote for Conservatives, Liberals and Labour. "For instance, I am a Communist. I believe in Communism, but that cannot force you to believe in the same ideals as I do. Nevertheless we can be friends." It is difficult not to feel that you ought to be Ho Chi Minh's friend, but as to the wider implications of the last sentence, I raised my eyebrows. The President, therefore, continued: "Do people in the West really know what Communism is or, in any case, what we understand by it? To take the word as a threat to others is a backward

conception. We want to build a strong economy, and we have a big proletariat, with a backward industry, a backward agriculture and our living standards are still low. It takes these conditions to become Communist. Therefore, if people in the West were to understand this, they would not be afraid. We revolutionaries are realists and not utopians. Why should the East be against the West? Historically, socially and culturally, each country has its own background. Despite events in Hungary and Egypt, I am more hopeful about the international situation than I was a year ago. For

in reality, everyone wants peace. If there were the catastrophe of a general conflict, it would be very hard for everyone in this atomic age. We Vietnamese certainly need peace to build up our country. Even if there were fighting far away from us, it would influence our wellbeing. If there is peace, the economy develops and there is work and better living everywhere. A bad peace is better than a good war."

The President was waving from the top of the palace steps when I drove, past saluting guards, into the now busy streets of his capital.

KOREA: LETHARGY AND REVIVAL

By Stuart Griffin (EASTERN WORLD Special Correspondent in Korea)

A SEASONED US observer said recently of tough old Korean President Syngman Rhee: "He's already a myth. Now he prepares to make a legend of himself as well." Even the 81-year-old statesman's opposition agrees: "as Rhee goes, so goes the Republic for which he stands."

Rhee's Korea seems characterised at present by two facts, that of political lethargy, and that of economic revival. The eight-year Republic, virtually bankrupt at the close of the war with North Korea and Communist China 40 months ago, has revived, thanks to the \$1 billion in foreign economic aid, and Washington's ability to rein in the strenuous old patriot. Syngman Rhee talks less these days of the march north for Korean unification.

Economically there are bright spots. Food and power rationing have ended. Production soars in such key industries as food-stuffs, coal and light machinery. Textile output is 120 percent higher than pre-Korean War and new industries boom in coal, chemicals, fishing boats, metal mining. Construction and hydro-electric power plant projects hum. The *hwan* is pegged at 500 to the US dollar. Shops in big cities burst with goods and purchasing power is up. However, of 22 million people, 1.3 million are unemployed and another 750,000 exist on marginal or part-time employment. The air of prosperity ends at city gates. The farmers' plight is desperate.

While the average city family dwells on \$75 a month, 25 percent better than five years ago, 12.5 percent higher than 24 months ago even, the average farm household scrapes by, when it does, on \$35 a month, 12 percent less than the first postwar year, 17.5 percent less than the best prewar year, 1937. Official Seoul Government figures place the overall *per capita* income in 1955 at \$54.32 and anticipate only a moderate rise, to \$56.50 in 1957.

The Republic's best hopes lie with the US and the UN help. Both have been promised fulsomely. But the failure of American postwar aid to be, as one US economist said, "quickly translated into better living conditions" has brought on an incipient mood of disillusion though America is still popular, still hailed along with Syngman Rhee, as the wartime saviour of the young Republic.

The problems are greater in the political field. Seoul still mutters darkly about its hostile neighbours to the north, North Korea and Communist China and the USSR, and its ancient foe and overlord, Japan, across the brief Tsushima Straits. And while the country remains politically halved, the matter of unification seems pigeonholed indefinitely. The

Republic is buttressed by its military, political, and economic ties with the US, its diplomatic relations with such friendly countries as Nationalist China on Formosa, Thailand, and the Philippines. It has a crack battletrained army of 800,000 men, a scrappy little coast defence navy, and a small but formidable jet air force.

But these forces are a task on a nation which once required assistance from some 35 nations before it could rise even shakily to its feet. Some \$65 million of the Republic of Korea (ROK) annual budget of \$275 million is funnelled into the defence establishment, an expenditure that ensures a continuing military look. Jeeps, tanks, howitzers, marching columns of men, and the cloud of dust all this raises, are everywhere. Token forces of a once mighty military gathered

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under UN banners are stationed on South Korean soil. Only the US, with two slimmed down divisions, really keeps watch. They check North Korea's aggressive aims and Rhee's often stated intent to drive northward alike.

Peace reigns along the jagged truce line, but uneasily. Above the border set up by the Panmunjom armistice talks poises the modernised, mechanised North Korean army of one million, spearheaded by 500-750 MIG-15 jet planes. Under truce terms no new weapons can be introduced by either North or South. This thus rules out any open nuclear weapon import which could slash troop strength and reduce the fiscal burden of armament under which the ROK Government stumbled along. But the ROK high command constantly harps on a single theme: while ROK weapons are costly, obsolete, and relatively few, the Communists across the border bring in new weapons and covertly flesh up their potent striking force. The imbalance of air and fire power is felt more and more, ROK officials insist. The ROK Sabre jets and Shooting Stars are outnumbered by the Russian-built MIGs.

Politically Rhee is top man though many criticise him. There is no successor in sight in his own Liberal Party ranks, and only on paper, in the opposition Democratic Party. Rhee has taken on more of an Olympian caste. He speaks and acts as though he were supra-Party, even supra-politics. The Democrats lack the means of capitalising on their 1956 election defeat of Rhee's handpicked vice-presidential candi-

date, Lee Ki Poong. And the Liberals sound the same stuck-whistle approach to politics: a domestic do-little policy matched by the usual tirade against Japan, the same calls to suspicion of the Communists' intentions towards rearmament and aggression, and the same importunings of the US and the UN for more economic aid.

They hold 129 of 202 Assembly seats, and these four-year terms do not end until 1958-59. While the Liberals drone along in their humdrum fashion, the Democrats, equally lethargic, seem to swing only at air. They claim "next time" will bring election victory, even over Rhee, but they hedge their enthusiasm by adding "if there is no marked reform in the Government" . . . "if the living standards don't somehow rise." And the irony is the Democrats have much to capitalise on.

Last autumn's rice crop was bumper but Korea's staple food, rice, sells at the highest prices since the dark Korean War days. The cost of living has mounted by 28.7 percent over a year ago. Unemployment shows signs of rising, not falling.

While the Democrats sit on their hands, Syngman Rhee contents himself with international issues, chief of which is the fretful plea to the world to wake up "in time to save humanity from total Communist enslavement." But he shows, and so do those close to him, a strong apathy towards rousing his countrymen to the real problems they face politically and economically, right in Korea itself.

SINGAPORE BEFORE MERDEKA

From Our Special Correspondent in Singapore

THE political climate of Singapore has calmed down considerably since Mr. Lim Yew Hock's businesslike and more practical mind replaced Mr. David Marshall's flamboyant genius in the chief ministerial chair. Yet, while the atmosphere is less loaded with emotional fireworks, it is equally true to say that other events have contributed during the past few months towards the general sobriety in the colony's public discussion.

An important factor in this trend towards reality, has been the discovery that *Merdeka* (independence), once it is won, will pose many serious problems which the new City State is poorly equipped to tackle. Prominent among these is the question of lack of skilled personnel—the common South-East Asian headache. As far as the forthcoming negotiations next month in London are concerned, the situation is in essence similar to what it was a year ago, except, perhaps, that the danger of militant Communism in the island is no longer considered an immediate menace as it was before. But now, like then, it is understood that the United Kingdom will grant *merdeka* to Singapore under certain conditions, conditions which the adroit Mr. Lim will accept on the reasonable principle of preferring a bird in his hand to one in the bush. He will rationally concede a point or two in the hope of making further demands after independence has been won, and will not insist now on what would amount to Britain's unconditional surrender of all her influence or interests. Under these circumstances, discussion tends to centre around details which, by virtue of the small territory, often diverge into parochial narrowness common to

local town councils, and are apt to make one lose sight of the real and serious problems facing Singapore.

For below the surface political and economic dangers are accumulating which, if not met adequately and in time, may ruin this now prosperous island. Tunku Abdul Rahman's categoric statements during the last months that a merger between the Federation and Singapore was "impossible" has cast a cloud of gloom over the colony. Although the Tunku's views were not unexpected, he nevertheless was known earlier last year to be concerned with the method of how Singapore should join the Federation rather than doubting that such a merger should or could eventually take place. Today his official line is that, while not wishing to harm Singapore, he does not desire to include it in the Federation under any circumstances. Even if it is understandable that the Malays are not over-anxious to acquire, by merger, a Chinese majority of over 100,000 in the whole of Malaya, it is difficult to see how they hope to ignore political, economic and even purely geographical facts which link the fate of the Federation with its southernmost island tip.

There is no doubt in the minds of practically all responsible leaders in Singapore, that the main aim of the colony is and must be to join the rest of Malaya after *merdeka*. Opinions only vary as to whether this should be done now (which it cannot, owing to the Tunku's resistance), or whether it will have to be achieved within the next few years. Chief Minister Lim has committed himself to the holding of general elections next August, and all parties put eventual unification with the peninsula on the top of their programmes.

All parties are confident that they will win the elections, the Labour Front, now in office, because they have brought *merdeka*, and the People's Action Party (PAP), because of their consistent political record and their progressive platform. The PAP, under their remarkably able leader Lee Kuan Yew, is still holding its horses, probably because Mr. Lee shrewdly awaits the day when, after independence, he can point out the shortcomings of any agreements reached in London and then lead public opinion and his party to victory by pressing for complete freedom and by voicing demands for social reforms. The PAP, mostly relying on Chinese support, may yet be weakened by the rumoured appearance of a new Chinese party reputedly inspired by a number of Chinese millionaires, which might split the Chinese vote considerably and leave the Labour Front, of which Mr. Marshall is still the president, to exploit its laurels for having brought *merdeka*. Mr. Marshall, though not in a position of control, is still a great asset either to the Labour Front, or to any other group he may eventually chose to join. There is no doubt that it was his idealism which blazed the trail towards independence. His own personal sincerity and honesty are beyond reproach and, therefore, combined with his personality, a political factor. His policy is based on: parliamentary democracy; fullest cooperation with Britain and the Commonwealth on terms of equality; collaboration amongst all the various communities and equal rights for all; socialist methods to increase the living standard of the masses, and unification with the Federation within the next ten years. Mr. Lee Kuan Yew is more impatient as far as the time factor of a merger with Malaya is concerned, and maintains that the two territories are so closely interwoven that their fate depends on each other. Should there ever be serious communal trouble in Singapore, it would have the most disastrous consequences in the Federation, and *vice versa*.

The UMNO-MCA Alliance, the ruling party in Malaya, has only a slender foothold in Singapore, but it belongs to the four established political organisations which have to be taken into account during the next elections. The Liberal-Socialists (Libsocs), mainly representing firmly entrenched commercial interests and being neither liberal nor social, are only important as vote splitters. So is a new group of independent individuals which is now making a well-meaning effort to obtain a bigger say for the various racial and religious communities in public affairs. This new group is actually a retrogressive phenomenon, for it must be presumed that, after independence, politics will not be conducted on

communal but on ideological lines.

It must be conceded, however, that communal and ideological issues are not always easily distinguishable in Singapore. Ideological undercurrents are, indeed, active, and in this respect the colony is one of the most complicated spots in South-East Asia. Not only are the innumerable aspects of the different communities trying to assert themselves, but within this intricate pattern of mostly antagonistic aims and purposes, political convictions, business interests, split loyalties, personal ambitions, idealistic self-sacrifice and pure greed a situation is being created which will most certainly have a considerable influence on the future atmosphere in Malaya. While Chinese, Malay, Indian, Eurasian, British and other opinions struggle for clarity, equality, success and influence, the overwhelming majority of the population has only one wish: to be left alone to go after its peaceful trade.

Yet, despite the outward signs of orderliness, always a characteristic of British administration, two of the undercurrents are of real significance: one is that of the growing struggle of the workers for better living conditions, and the other the determination of the Chinese, either politically or culturally nervous about their position after *merdeka*, to strengthen their own internal status. This most intricate facet of Singapore's problems involves a large variety of questions, each a major problem on its own, ranging from citizenship status, discrimination against Chinese in the educational field, ideological clashes amongst the Chinese inside these educational institutions, and the part played by the Chinese secret societies to the nervousness of their future in the whole of Malaya. The drastic actions by Government against students' demonstrations, the harsh treatment of so-called "unreliable elements," show in themselves that repercussions of Federation emergency measures link the island with the Federation much more powerfully than the thin causeway across the narrow Straits might suggest. They are but some of the signs of insecurity and nervousness which create in themselves many contradictions and injustices, and which will not be solved by *merdeka*.

Democracy in Singapore is still exerting itself to protect its survival by means of questionable democratic flavour. Take the case of a Miss Linda Chen, a student of Malaya University who, being suspected of progressive views, is now in prison under the vicious Banishment Order. She came to Malaya when she was under three years old, never left the country where she received a secondary English school education, a BA degree and a diploma of education at the University of Malaya. Yet, as she was born in China, she is to be deported to what to her is an alien country. This is just one case of thousands, and example of the "democracy" which will be the heritage of Singapore. But this is not all. Miss Chen has been tried within a fortnight after detention. Her treatment as a "political prisoner" is also noteworthy. Though she has for so many years received education planned and executed by the Colonial Government, she is not even trusted with ordinary reading matter freely available just outside the prison walls. Han Suyin's best seller . . . *and the rain my drink*; by now a classic on the present situation in Malaya, which sweeps the country and can be bought at any bookstall, has not been allowed to reach Miss Chen while she is kept in prison without proof of her guilt. No reason was given for this private censorship which deprives her even of her intellectual freedom.

Thus the microcosm of Singapore's political life is permeated by a system which keeps not only numbers of

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inconvenient politicians in prison, but also politically-minded youth. These practices may turn vague leftists into confirmed Communists and create a bitterness in intellectual circles which may have more to say about these matters later on. The power of the secret police, the "Special Branch" has lasted for so long, that its effects on the future society of Singapore and even of the Federation may have the most serious consequences as far as democracy is concerned.

However, while all this is going on, Singapore is feeling its own existence threatened in the economic field, by various measures taken by the Kuala Lumpur Government in the Federation. For the mainland, in order to raise its revenue, has imposed taxes on a variety of goods barring their free move from Singapore into the Federation. This may have disastrous repercussions on Singapore's economy, and J. M. Jumabhoy, the Colony's Minister of Commerce and Industry, is one of the most worried men of Singapore today. During the past few years, the entrepot trade of that great port has declined considerably. Only 1,926 tons of sago flour were shipped from Malaya to India and Pakistan last year, whereas in 1951 the figure was 30,952. Malayan clove shipments to Indonesia, which amounted to 12,337 tons in 1951, were down to 3 tons in 1955. Another example is the export of Malayan dried fruits to Indonesia which fell from 6,341 tons in 1951 to 198 tons last year. Singapore has about 32,000 unemployed, and their number is steadily growing with a further decline of cargo shipments and a rapid increase of population.

Singapore is, therefore, forced to establish secondary industries, not only to balance the loss of income from port traffic, but to absorb the increasing labour population. And as the Federation is Singapore's natural hinterland and market, the present tariff measures taken by Kuala Lumpur represent a grave threat to Singapore's economy. Politically, this situation may lead to discontent and is apt to provide an ideal breeding ground for Communism. A ruined, dissatisfied and even turbulent Singapore right at his doorstep may yet alter the Tunku's opinions as to the possibility, in fact, necessity of merging Singapore with the rest of Malaya. But it may be then be too late.

H.C.T.

AUSTRALIA

Commonwealth and Asian Policy

From Charles Meeking

(EASTERN WORLD Canberra Correspondent)

One of the earliest reactions in Canberra this year to developments in the Middle East was a suggestion, unofficial at this stage, that the Australian Government should take the initiative in proposing a conference of Commonwealth Prime Ministers here to discuss happenings since the June conference, and to hammer out the arguments for and against divergent policies on Asia. It was suggested that, apart from climatic objections, London was not the suitable venue for the conference, and that a frank exchange of views might do something to keep the Commonwealth in repair.

The proposal came during the weeks in which the Prime Minister, Mr. Menzies, was holidaying in Tasmania. It followed the welcome given by External Affairs Minister R. G. Casey to the US plan for the Middle East—a welcome which approved the American recognition of the need for

the use of force in certain circumstances. Observers found such recognition highly significant, and were inclined to attribute it, in part at least, to arguments advanced by Mr. Menzies and stressed in the White House.

The future of the Commonwealth and of the Commonwealth link with the United States is, of course, a constant preoccupation of Mr. Menzies. Whether he was prepared to propose further moves at this stage was uncertain in mid-January, but there were indications that Australian foreign policy was undergoing some review. This was prompted in part by the drive for more Asian trade, and this in turn was associated with the renewal of the invitation of the Japanese Government, now led by Mr. Ishibashi, for Mr. Menzies and Mr. Casey to make an early visit to Japan.

The obvious desire of the Japanese Government to increase trade with mainland China, the Australian Government's attempts to persuade Japan to take more Australian wheat instead of American "surplus" wheat, in return for a larger slice of the Australian import trade, and the Australian need for capital equipment for the programme of industrialisation were all factors presenting the Government with the need for a review of policies.

At the same time the effect of inflation on costs was causing concern, and the economic outlook, although better than a few months ago, was still "patchy." Improving wool prices and a better outlook for wheat exports were still accompanied by severe import licensing and high taxes.

Defence continued to offer a large number of imponderables to the experts who, in the words of an October promise by the Prime Minister, were assumed to be making "a complete revision, from top to bottom, of all items underlying the defence programme." A meeting of the SEATO Council is scheduled for Canberra in March, and at this meeting it is possible that the Australian role will be redefined in the light of any United States commitments by then in the Middle East, and of possible developments elsewhere. These might include any changes in Indonesia.

In some quarters in Canberra the bloodless revolt in Sumatra in December and January was seen as coming significantly on the eve of the UN General Assembly discussion of the West Irian dispute. Support was given to this view by the blunt assertion of a Sydney newspaper that the failure of "President Sukarno and his clique" to control the areas they already held "makes their claim to Dutch New Guinea ridiculous beyond words." Other comment was more restrained, and several newspapers felt that control by the army in Indonesia was by no means the worst of the possible alternatives. There was no indication of the Government's likely attitude in the event of the General Assembly supporting the Indonesian claim.

There was, however, a spate of ministerial pronouncements on moves to develop the Australian end of New Guinea and lift the living standards of its people, including stress on the teaching of English to the native people as "a major objective." Territories Minister Paul Hasluck said the native languages, which were not being banned, were of no assistance as a means of communication with the wider world. Consequently, every effort was being made to teach the native people to speak English, "so that they will have ready access to all that is involved in Western civilisation."

This statement, following one which disclosed the reliance being placed on Christian missions of varied and often antagonistic sects for the education of large numbers of native children, has caused some concern in certain quarters in Australia. There is also some belief that the encouragement

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of self-government, shown mostly in the slow expansion of the system of local councils, is not sufficient for the expected needs of the territories during the remainder of this century. New Guinea is one of the Australian links with Asia. Its future must be considered if and when the Commonwealth Prime Ministers meet in Canberra.

UNITED STATES

Commitment and Doctrine

From David C. Williams

(EASTERN WORLD Washington Correspondent)

The United States is moving in to fill the power vacuum in the Middle East. This decision, as historic in its significance as the Truman Doctrine of 1947, was first "leaked" to the *New York Times* on December 28 and then presented to a sombre gathering of Congressional leaders at the White House on New Year's Day.

The manner in which it was launched emphasised the degree to which Congress has had to cede leadership in foreign policy to the President in today's increasingly dangerous and complex world, and the futility of the long-cherished objective of Republicans in Congress of recapturing their old power. By the time they reached the White House the United States had already been publicly committed, and they were left with the role of dotting the "i's" and crossing the "t's." Like the Truman Doctrine, the new Eisenhower Doctrine has both a military and an economic side. By Congressional resolution, the United States will solemnly declare its determination to oppose Soviet aggression in the Middle East. Meanwhile, a beginning will be made on the long-delayed regional economic plan for the area, about which Ernest Bevin spoke so eloquently when he was British Foreign Secretary. Indeed, the Eisenhower Doctrine amounts to the acceptance of the challenge, forcefully voiced by Hugh Gaitskell, to America to take positive leadership in the Middle East.

The American military commitment is designed to meet the fears privately expressed by many last month in the corridors of the United Nations. The President had then gone only so far as to say that Soviet aggression would be dealt with through the UN. Many loyal UN members feared that, with the Soviet veto in the Security Council and the difficulty of mustering a two-thirds votes in the General Assembly, this position might amount to an invitation to the Soviet Union to step into the Middle East.

The details of the economic plan have not been spelled out publicly. But, although the "chiefs" have been silent, those at the lower echelons of the vast Washington bureaucracy have given pretty full indications of the trend of official discussions. If the many political obstacles, both in Congress and in the Middle East, can be overcome, the United States would be prepared to invest \$500 million to \$750 million dollars over a ten-year period. The first step would be a regional economic survey, including all the Arab states west of Tunisia and much more. It would include, in fact, the whole Nile watershed as far south as Kenya and the Belgian Congo, and extend to Turkey and Iran as well.

Israel would definitely be included, in spite of the pain this might cause the more extreme Arab leaders. Some of the more moderate Arab spokesmen at the United Nations have already indicated privately that they would accept this,

provided that Israel received no more than her "fair share" of American aid.

The key to this regional plan is water, and the major emphasis will be upon the development of the Nile River along the lines of the Tennessee Valley Authority here in the United States.

In official circles here, there is considered to be little prospect of Arab-Israeli peace until months or perhaps years have passed without border incidents, and present passions have had time to subside. In this respect the White House sees eye-to-eye with Prime Minister Nehru, who alarmed and depressed many pro-Zionists here by speaking of an Arab-Israeli settlement as something possible only in the remote future. The Nehru visit, however, also revealed a considerable gap between Indian and American views about President Nasser. To Nehru, as to previous American Ambassador in Cairo, Nasser seems a sober and responsible statesman, sincerely dedicated to the economic and social welfare of his people. Nehru, in fact, lauded him as "a fine man," and seemed to regard him as the best hope for stability in the Middle East.

This hope has dwindled in Washington, even among the staunchest friends of the Arabs in the State Department. The official line now is to use other and more moderate Arab leaders to bring pressure upon Nasser and other "extremists." Thus, the United States is at present determined to ignore Cairo's and Syria's angry reaction to the announcement of the Eisenhower Doctrine, confident that future events and pressures will swing them into line.

CEYLON

Government Less Popular

From Our Colombo Correspondent

The People's United Front is no longer the proud party that swept into power in Ceylon last April. It was forced to eat humble pie at the recently concluded local government elections by the right-wing United National Party, which thus avenged its crushing defeat at the general elections.

The PUF suffered its worst defeat in Colombo. Only five of its 29 candidates were elected to the municipal council, while the UNP captured 18 seats. The Trosskyite Sama Samaja Party and the Communist Party which controlled the destinies of this premiere local body for the past five years secured between them only five seats. In the out-stations, too, the UNP has made considerable gains at the expense of the left-wing parties.

Some see in this a UNP come-back. They point to the growing unpopularity of the Government with the minority Tamils, the Catholics, and even with some of the Sinhalese population. Given new leadership and a new policy, they believe the UNP could regain power. These people pin their faith in Mr. Dudley Senanayake, who gave up the Premiership, membership of the UNP and bade farewell to politics two years ago for "reasons of health."

The PUF, as the Prime Minister Solomon Bandaranaike, admits, has lost some popularity in the last nine months, but not enough to think in terms of a UNP come-back. The vast majority of the Sinhalese population is solidly behind the Government, for they have no cause for complaint. The PUF has fulfilled many of its election pledges, including the

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declaration of Sinhalese as the sole official language, and several others, such as the nationalisation of the bus services, are on the way to fulfilment. In fact, no previous Government has paid greater regard for election promises and done more for the country during so short a period as the PUF Government.

No previous Government, however, has also faced greater obstacles. From the start the UNP supporters who were in places of power, specially in the sphere of trade, have been waging a behind-the-scenes war to sabotage or mitigate the effects of the Government's socialist policies. The Catholics, who had all along enjoyed privileges far in excess of their numbers, rarely missed an opportunity to attack the Government's efforts to rehabilitate the Buddhist Church. In the north, the Tamils are preparing to launch a civil disobedience

movement to obtain equal recognition for their language along with Sinhalese. There has also been trouble in the Colombo harbour; the cost of living has gone up; so has crime; Government doctors threatened to strike; there is no money in the Treasury. It redounds to the credit of Mr. Bandaranaike's Government that the country is not in a greater mess.

Why then the UNP victories at the local elections? A careful analysis of the election results would reveal that in most areas there were three or four-cornered contests between UNP, PUF leftists and independent candidates. At the general elections the UNP had to face the combined might of the PUF and the left parties, whereas in the recent elections the progressive vote was split, thus making things easier for the UNP.

Letters to the Editor

HISTORIC UNITY OF VIET NAM

Sir.—Although, as a general principle, I hold that writers should not criticise their critics, I feel it would be a disservice to your readers if I were to allow Mr. Phan trong Quy's misleading remarks (in your December issue) on my article "Viet Nam's Historic Unity" to pass uncorrected. There are few specialists on Vietnamese affairs in this country and, in consequence, some people may accept Mr. Quy's remarks at their face value.

Mr. Quy states that the war which broke out in Viet Nam in 1946 was not a civil war but a Franco-Vietnamese one. Two opposing Vietnamese governments were engaged in armed conflict during this war and their two armies, the Vietnamese National Army and the Viet Minh People's Army, ranged one against the other. I maintain that this is civil war, but let it be supposed that it was, as Mr. Quy states, a Franco-Vietnamese war. If this statement were true, then it would follow that, when all French forces were withdrawn, Viet Nam would be a unified state ruled by a single government. But this is not the case. Viet Nam is divided into two zones, the governments of which are mutually hostile.

If it is a complete and detailed history of Viet Nam which Mr. Quy wants, he must not look for it in a brief article published in your paper. Mr. Quy objects to my use of the expression "the rest," but the space factor alone would preclude the writing of a full account of the struggles of the powerful Vietnamese families. It was necessary to employ this or some similar expression in order to compress the content of the article. I referred to events covering a span of more than 2,000 years and, not unnaturally, was obliged to deal summarily with long periods. The period of internal strife lasted for some centuries and, for brevity's sake, I mentioned only the names of the three families which appeared to me to be of greatest importance during this time. I think that Mr. Quy has not fully understood the

English text and has therefore objected to contradictions which did not exist. On the question of what Mr. Quy quaintly refers to as "accurate facts," I must inform him that the Tran dynasty did not end in 1398 as stated in his letter but in 1413. Its reign was interrupted between 1400 and 1407 by the Ho usurpers, a family covered by my term "the rest."

It was stated by Mr. Quy that the frontier between Tonking and Cochin China throughout the 17th and 18th centuries was not the 17th parallel but the river Linh-giang which is situated between the 18th and 19th parallels. In fact, throughout this long period of civil war the frontier moved several times but never for very great distances. It always lay across the very narrow strip of land in central Viet Nam bounded by the sea on one side and the mountains on the other. To have written this in the article would have conveyed little to the majority of my readers who are not familiar with this region. I preferred to write "17th parallel" because this would be familiar to readers and because the frontier never moved a very great distance from this line. As I write I have before me one of the original copies of a map of Indo-China printed in 1650 and drawn by a cartographer fully competent in astronomy. This man had spent some years at the courts of Tonking and Cochin China and must be presumed to have been perfectly aware of the position of the frontier at that time. The degrees of latitude are marked on this map, and the frontier between Tonking and Cochin China is located exactly on the 17th parallel.

Yours, etc.,

P. J. HONEY

Kenton,
Middlesex.

PAKHTUNISTAN

Sir.—May I please refer to your comment under the heading "Pakistan-Afghan Relations," published in your December 1956 issue, wherein you say: "It may be galling for Karachi to have to admit, at the visitor's insistence, that a Pakhtunistan question does exist, after having denied

this for so long." May I please point out that reference to Pakhtunistan in the press communique issued on December 1, 1956, after talks in Karachi between the leaders of Pakistan and Afghanistan, merely took note of the fact that the Royal Afghan Government regarded this concept, which is purely their own, as "the only political difference between Afghanistan and Pakistan." It has once again been made clear to HRH the Afghan Prime Minister, that this concept is entirely unacceptable to the Government of Pakistan, since no such problem in fact exists.

Yours etc.,

S. M. HAQ

Press Attache

Office of the High Commissioner
for Pakistan
London, S.W.1.

KRISHNA MENON

Sir.—I was very surprised to read in your January Comment under the heading "Mr. Menon Under Fire" that in England Mr. Krishna Menon is thought to hold the view that the West is "fast becoming a dead letter." I do not think this can be true. Krishna Menon, more even than Pandit Nehru, is western thinking. He lived here in England for many years and acquired many British friends. In fact even now he hardly knows India.

His whole way of life is leaning towards Europe. I am sure Krishna Menon has faith in the future of England, although not perhaps in the Conservative Party who now rule the country. He, like many Indians, I am sure must believe that India should develop her interest in the western world, and I agree with you that the attacks upon him are deplorable. Mr. Menon, I know, makes enemies, but he also makes a lot of friends, and I do not agree that he is expendable as you say he might be, "in the cause of better relations between India and the West." He has helped a lot as India's spokesman, and has many personal diplomatic triumphs to his credit.

Yours etc.,

R. K. MODY

Durham.

FROM ALL QUARTERS

Formosa preparations

Reports from Formosa say that the final section of the 420-mile long railway between Yingtan and Amoy on the Chinese mainland, has now been completed. The final stretch bridges a three-mile causeway to Amoy. This project, which is called the "invasion railway" by the Nationalists on Formosa, took 22 months to complete. This new line, it is said, is being linked to Foochow by a 72-mile long track running along the coast of Fukien.

The Nationalists point out that it is now possible for the Chinese, in a few days, to bring an invasion force from the heart of the mainland to the coast opposite Formosa, 100 miles away.

Meanwhile, the Nationalist Vice-President, Chen Cheng, has said in Taipei, the capital of Taiwan (Formosa), that this year is a crucial one for "Free China, which had completed military preparations for attacking the Chinese mainland any time this year."

Commonwealth standards

The Third Commonwealth Standards Conference met in New Delhi on January 21, and is to continue to February 3. About 125 leaders of industry and important persons in the field of standards in the Commonwealth are attending. The conference, which seeks to secure greater alignment of industrial standards, was inaugurated by Mr. Morarji Desai, the Indian Minister of Commerce and Industries. The delegates are discussing standardisation policies of Common-

wealth countries in the interest of inter-Commonwealth relations and trade.

American assistance in South Viet Nam

Mr. P. Danforth, representative of International Voluntary Services Incorporated, an American non-profit organisation with permanent headquarters in Washington, D.C., has recently arrived in Saigon to make arrangements for two teams of agricultural and public health workers who will soon arrive there to assist refugees in resettlement areas. Each team will consist of six persons, four of them agricultural technicians, one a public health nurse, and the other an administrator or chief-of-party.

Director of ICA in Cambodia

Mr. Alvin Roseman, who has been Director of the International Cooperation Administration Office of Public Services, has been appointed director of the United States Operations Mission to Cambodia. He has several times held posts abroad for ICA's predecessor agencies and the State Department.

The stated object of economic and technical assistance under the ICA programme for Cambodia is to stabilise and strengthen the economy of the country, by assisting it to expand its production and improve the living standard. Another objective is to finance commodity imports to counter inflation and budgetary deficit problems.

Compensation after Hong Kong riots?

The Hong Kong Government has stated that it is pre-

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pared to consider, on an *ex gratia* basis in cases of hardship, claims for compensation for injury and damage, theft or destruction of property, arising out of the riots which occurred in Kowloon and Tsuen Wan last October.

The report on the riots was published in January. Up to December 31, the report says, some 3,700 persons (out of 6,000 arrested) had been released after being questioned, and 1,455 cases of breach of the curfew order had been disposed of; 87 persons remained in custody pending further investigation. Out of 921 persons charged with more serious offences, five are waiting trial on the count of murder, and 140 for looting.

UN resolution on Korea

The United Nations General Assembly, in a plenary session last month (January), decided to accept the recommendation of its Political Committee that the UN Commission for the Unification and Rehabilitation of Korea should continue its efforts to bring about, by peaceful means, a unified independent and democratic Korea. The resolution, which was adopted by 57 votes to eight, with nine abstentions, called for free elections under UN supervision, with the cooperation of all states and authorities.

International Court Judge

Mr. V. K. Wellington Koo of China (Formosa) was elected in January to fill the vacancy on the International Court of Justice created by the death last June of Judge Hsu Mo, who was also a Chinese. Judge Wellington Koo will serve until February 1958.

Czech folk dancers in Indonesia

A Czech folk dance and song ensemble is at the moment touring Indonesia. The ensemble consists of 50 artists, led by officials of the Czechoslovak Ministry of Education and Culture. The visit has been organised on the basis of a cultural cooperation agreement between both countries which was signed in Prague last July.

Soviet scientists in India on Unesco mission

Four Soviet scientists arrived in India recently on a mission for the United Nations Educational, Scientific and Cultural Organisation under the United Nations Technical Assistance Programme. They will teach at the Western Higher Institute of Technology which is now being established by the Government of India at Powai, 20 miles from Bombay. Until the facilities in Powai are able to utilise their services, the experts will be assigned for approximately six months to a similar institution at Kharagpur, near Calcutta, which has had the benefit of Unesco aid during a period of five years.

Child Welfare in Ceylon

Mr. Cyril Hamlin, an Inspector of the Home Office Children's Department, has gone to Ceylon to inaugurate a Department of Child Welfare for the Ceylon Ministry of Home Affairs. Mr. Hamlin's services are being made available to the Ceylon Government under the Colombo Plan. In 1952 he went to the Island, also on a Colombo Plan mission, to advise the Government of Ceylon on child welfare. He spent a year there and made proposals which the Government of Ceylon have accepted. Mr. Hamlin will spend two more years in Ceylon, setting up the Child Welfare Department and acting as Head of the Department.

On another Colombo Plan mission, this time to Pakistan, is Mr. A. D. Anderson Scott, who has gone there for six months to advise the Government on the needs of industrial organisation in Pakistan for imported raw materials. His mission is connected with an Industrial Survey of Pakistan which is being conducted by the Ministry of Industries.

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(Sud Viêt-Nam)**BOOKS on the****Moscow and the Communist Party of India** by JOHN H. KAUTSKY (*Chapman & Hall, 48s.*)

Here is one of those formidable pieces of painstaking research in which the Americans appear to specialise, with the mountain heaving in labour to produce what turns out to be a very insignificant mouse. It should be said at the outset that the title is misleading: the book, as the author clearly states in the Introduction, is not a history of the Indian Communist Party. The subtitle, describing it as "a study in the postwar evolution of international Communist strategy," comes closer to the author's intentions.

Dr. Kautsky, in 202 closely printed pages, bristling with footnotes and an additional array of notes after each chapter, sets out to prove—just what, one would be hard put to it to explain, since he is never satisfied to let words keep their normally accepted meaning. Every term he uses is laboriously defined and sub-defined in a kind of linguistic atom-splitting that leaves nothing whatever alive. Only by quotation is it at all possible to give some idea of the pseudo-scientific bombast of this method. In explaining his invention of the term "neo-Maoist," for example, the author writes:—

The use of the simple term "Maoist" to characterise this new strategy would be entirely justifiable, primarily because Mao must be credited with its original development and incidentally also because it was recommended to the Asian Communist parties by both Peking and Moscow as "the Chinese path" (see pp. 96-98 and p. 103 below). The term might, however, be taken to indicate that a Communist party follows Chinese Communist as distinguished from Soviet guidance or consciously follows the Chinese example. It might also imply that Chinese Communist practice furnishes the best example of the Maoist strategy. Finally, the term "Maoist strategy" is often associated with the Chinese Communist tactics of reliance on the peasantry and on guerrilla warfare in rural areas.

One hesitates to quote more, but the passage goes on for another two hundred words or so before getting to the point. The entire book is written in this style, so it is not surprising if both the intention and the ultimate conclusions remain somewhat nebulous. The general idea, which we seem to have heard before, is that Moscow directs all the Communist parties of the world. The Indian party is singled out to prove the point principally because of India's importance as "the most powerful non-Communist nation in Asia and the most populous one in the world," and also, as the author explains in one of his few excursions into simple statement, because the fact that the Indian party publishes all its material in English saved him a lot of trouble.

Dr. Kautsky's conclusion, unfortunately for his thesis, finds the case "not proven" — which by no means deters him from believing it, as who would not, after expending so much labour on it? But his belief is not quite comfortable.

Although Moscow's directives are somewhat camouflaged (he writes), the question still arises as to why they should be issued in a form as freely available to the enemies of Communism as to the Communist leaders. It seems almost incredible that so secretive and conspiratorial a grouping as international Communism should operate in such a way; yet there can be no question that it does—as well as in other ways.

It is rather a pity that the biographical notes on an

THE FAR EAST

author are so often printed only on the dust-cover, which is usually doomed to an early demise. Kautsky is a name that rouses speculation. John H. Kautsky took his Ph. D. at Harvard with a dissertation entitled "The Political Thought of Karl Kautsky." We are not told what, if any, is the relationship between John and Karl, the brilliant Austrian political writer whom Lenin once called "the renegade." We are told that after completing his studies, the author accepted a post as Intelligence Research Analyst with the Office of Intelligence Research of the Department of State. He is now Assistant Professor of Political Science in an American university, and the book is published in cooperation with the Massachusetts Institute of Technology.

John has thus chosen Karl's vocation — but alas! without the brilliance. It is greatly to be feared that neither Mr. Nehru, in his sallies against his Indian Communist critics, nor the latter, subjected to what the author describes as the "negative influence" of Moscow, will be able to quote this authority in support of their arguments.

K. P. GHOSH

China's Changing Map by THEODORE SHABAD (*Methuen*, 32s. 6d.)

This volume on the political and economic geography of the Chinese People's Republic is the first up-to-date work on this subject published in the West. It deals with political and industrial developments, largely between 1949 and 1955, which are effecting what the author describes as a "revolution on the landscape of China," with new provinces and regions, new cities, new railways, roads and waterways.

The author has sought "to focus attention on the areal changes" in the new China, and by marshalling the known facts "from the specific point of view of political and economic-geographic change," to show that:

In the process of their revolution, the Chinese Communists have made over the political map of the country. Their concerted drive for all-out industrialisation has left its imprint on the economic geography of the nation.

Both China and America put obstacles in his way, the former by "reluctance to export . . . source materials," the latter by restrictions on their importation. It is a tribute to the author's determination and industry that in spite of this handicap, he has produced what must be regarded as an essential reference work in its field.

J. KAPA

Indian Foreign Policy by KARUNAKAR GUPTA (*World Press Private Ltd., Calcutta*, 16s. 6d.)

Perhaps one should not be too hard on the youthful sage who is the author of this short book (101 pages) on a long subject. But an author can hardly expect to endear himself to his readers by assuring them on the very first page of his preface that his research work has made it "much easier for him than many others to probe into the minds of Mr. Nehru, Mr. Panikkar and Mr. Krishna Menon," and on the next page to conclude that he has "been able more or less to see through the apparent contradictions of Indian foreign policy — which have puzzled such acute minds as . . . erstwhile stalwarts of the Indian cabinet."

The book was written while Mr. Gupta was working

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on his doctor's thesis at the London School of Economics. Its main theme, while taking the readers through a rapid recapitulation of Indian policy since independence in 1947, reinforced with extensive quotations from Nehru's writings and speeches as well as many other authorities, Indian and Western, is to show that it was the national interest, and not moral principles or Gandhian ideals, that formed the policy. No one with any knowledge of how policy is made in any country in the modern world will quarrel with this dictum. When the author's maturity has caught up with his evident capacity for patient research, he may write something of greater weight and originality.

PAULA WIKING

The Travels of Fa-Hsien by H. A. GILES (*Routledge and Kegan Paul*, 12s. 6d.)

In this travel book, the hero, his own recorder, journeys on foot from China over the Hindu Kush to North-West India, through India down to the mouth of the Hoogly, and then takes ship and returns to China—Shantung, in the north-east—via Ceylon and Java. The journey to India took six years, six years were spent there and the return lasted another three.

Fa-Hsien, traveller, author and Buddhist priest, was distressed by the imperfect state of the disciplines in his own country and determined to go to the home of Buddhism and bring back with him established and correct texts of the *sutras*. His journey was hazardous—he later remarked that when he looked back on what he had endured "my heart throbs involuntarily and sweat pours down"—and his tasks were various: at one point of call, he was obliged to remain some time making his own copies of, and editing, existing editions of relevant material.

There are many interesting notes on the life of the many kingdoms Fa-Hsien traversed. West of Kashgar and north of Peshawar the inhabitants are called the "men of the Snow Mountains": and, written early in the fifth century, ever since Ceylon "has been under civilised government, it has known neither famine nor rebellion."

There are also the travellers' tales; all Buddhist worshippers at one foundation in the Deccan, according to a local rustic, used to fly into the monastery: Ceylon was originally inhabited by only devils and dragons, the latter trading with merchants of neighbouring countries, but never themselves appearing, for their method was to set out their valuables with price-tickets attached!

The editors of this reprint, by taking even the minimum degree of pains, could surely have arranged that several important references to page xv bring you out at some other point than the contents page.

G.B.

Co-operative Banking in India by G. M. LAUD (*Co-operators' Book Dépôt, Bombay*, Rs.27-8)

It seems curious that agriculture, which is the world's greatest industry, and the largest single undertaking in most countries (including the United Kingdom), has always been starved of capital. Is it because it can jog along with a minimum of funds or because other and more vociferous industries compete for the capital available (which, like all factors of production, is scarce relatively to wants) or because the yield on funds invested in the soil are lower and less constant? It is true that agriculture is subject to decreasing returns at an earlier stage than in most other industries,

but it is equally true that "first doses" of capital in agriculture yield startling returns. And it is these "first doses" that are necessary in underdeveloped countries. The first needs in these countries are for better tools, better seeds, better animals, irrigation (or flood control) works, fertilizers, buildings, and so on. But who is to provide the money? The peasant cannot by himself, for he is too poor.

It is, therefore, the sections on rural credit that are the most valuable in this book. With India's population growing rapidly it is of vital importance that the country should at all times have enough to eat (which at the moment she has not, even in good years) and that she should not have to import foodstuffs from other parts of the world, where population also is growing. The subject is more than of academic importance.

In Indian agriculture the need for "first doses" of capital is pitifully evident. As three-quarters of the country's population is engaged directly on the soil, the benefits accruing from even a modest improvement in agricultural techniques would be enormous. As for all industry, the need for capital is three-fold: short-term or working capital (for the purchase of seeds and fertilizers and the moving of crops), medium-term (mainly for the purchase of animals), and long-term (for the acquisition of heavy equipment, buildings, or land improvements). Since in India as elsewhere, most of the saving is done in the towns, a method must be found of transferring purchasing power from those who have it and cannot use it to those who have no capital but can put it to work.

Short-term credit does not present a formidable problem once the necessary organisation has been set up. The season's produce can be marketed through the organisation created, and the balance remaining after the loan has been repaid goes to the cultivator. This, in essence, is the system adopted when recourse is had to the agricultural money-lender, but here not only is the interest rate often usurious but the lender has no interest in the transaction other than obtaining the repayment of his capital. In other words, the interests of the cultivator are not the primary consideration as they are when a cooperative society is in charge of sales. It is important, however, that whatever the length of the accommodation, each cooperative unit should be small, however large the centre for collecting funds may be. It is essential that each member of the agricultural cooperative should know all the others personally, for only in this way can each individual be assessed as to diligence, intelligence and trustworthiness. Anyone who fails in any of these attributes jeopardises all the other members.

These matters are dealt with in considerable detail by Laud. He draws inspiration from example of others, some in underdeveloped countries like Paraguay and others in highly-developed agricultural communities in Denmark, France, the United Kingdom, and the US, but always he places special emphasis on the peculiarity of Indian conditions. The role of the State in this financial pattern is given particular attention. It is as well to bear in mind, not only to keep the matter in true perspective but also to realise its scope, that at present only 3 percent of agricultural finance in India is provided by cooperative credit societies. This figure is small because only the land-owning peasant has access to this form of finance. The cooperative movement has been thinking lately of the landless tenant, and arrangements are being

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made to enable him to borrow on anticipated crops instead of on the security of land. Unless the credit basis is broadened, cooperative finance will remain unimportant. The money-lender, who now provides 70 percent of all rural credit, is not so circumscribed. Even with existing limitations, the 125,000 village societies in the country (with over 5 million members) lend nearly Rs.300 million (£22.5 million) on short-term, Rs.100 million (£7.5 million) on medium-term, and about Rs.30 million (£2.25 million) on long-term each year. The Reserve Bank of India is the largest single lender to the cooperative banks (Rs.180 million, or £13.5 million), in 1955-56, mostly on short-term.

On industrial cooperative banking, Laud has much to say that is interesting but, as an ardent cooperator, he tends to regard the commercial banks as exploiters of mankind. With a shortage of capital, it is natural that the ordinary banks should favour large-scale undertakings for, apart from any considerations of prudence, administrative costs are thereby reduced. But with competition in the banking industry, all the banks now cater more and more for the small man. In so far as the cooperative banks provide capital to village industries using antiquated methods with high costs of production—particularly hand-loom weaving—they render a disservice to the country for they are financing inefficiency at the expense of the rest of society. The same sums spent wisely on agriculture would raise the standard of life and the level of spending in which alone the village industries can find salvation. However, village industries (which employ 11.5 million workers) are expected to play an important role in India's Second Five-Year Plan, and since under the Constitution of India (Sec. 43) their development is to be encouraged, I cannot recommend that anyone should neglect this section of the book. There are over 9,000 industrial cooperatives with a membership of over one million total sales in 1954 were Rs.910 lakhs.

There is work to do by both commercial banking and by cooperative credit institutions, which, after all, are complementary and not competitive or mutually exclusive. This work is an extremely valuable and lucid exposition of cooperative finance. It should be read by the literate and explained carefully to all the illiterate in the land.

L. DELGADO

Books and Publications Received

- Yuan Mei by ARTHUR WALEY (Allen & Unwin, 21s.)
Sinhalese Social Organization by RALPH PEIRIS (Ceylon University Press Board, Rs.10)
Southeast Asia in Perspective by JOHN KERRY KING (New York & London: Macmillan, 35s.)
Chindwin to Criccieth by CHARLES DRAGE (Gwenlyn Evans, 12s. 6d.)
China's Changing Map by THEODORE SHABAD (Methuen, 32s. 6d.)
The Twain Have Met by HRH PRINCE CHULA OF THAILAND (Foulis, 25s.)
Federation of Malaya Annual Report 1955 (HMSO)
British Military Administration in the Far East 1943-46 by F. S. V. DONNISON (HMSO, 40s.)
Collective Defence in South East Asia (Royal Institute of International Affairs, 12s. 6d.)
Rusticus Loquitor by SIR MALCOLM DARLING (Oxford University Press, 5s. 6d.)
Burma in the Family of Nations by MAUNG MAUNG (Amsterdam: International Publishing House)
Social Insurance in India by V. JAGANNADHAM (Amsterdam: International Publishing House)
The Historical Status of Tibet by TSENG LI (Columbia University Press, London: Geoffrey Cumberlege, 40s.)

Rain Making In Yamato

By Geoffrey Bownas

IT was the thirteenth of August in Japan — lucky thirteen as it turned out. The sun baked down, as it had done for the last fifty-odd days, from a sky which had a few wisps of white cloud, but nothing which looked even remotely capable of producing rain. I had gone down south, about twenty miles I suppose, from Nara, into the heart of Yamato to a hamlet called Iwashimizu, where, three days before, a rain-prayer service had started. Yamato, with its lack of any sizable rivers — except, of course, for the Yoshino far to the south — tends to suffer from drought as early as, often sooner than, any other agricultural area in Japan, and this year, *amagoi*, the prayer for rain, one of Yamato's *meibutsu*, could be seen in a number of such villages and hamlets.

Iwashimizu has sixty-four houses, and one of the rules for *amagoi* is that each household in the community has to take some part in the services. When I went, at about 2.30 in the afternoon, there were only five, all grandmothers and grandfathers, of the people of the hamlet gathered in the one-storey, single room shack which went by the imposing name of the "Iwashimizu Agricultural Advisory Hall." They sat sullenly, sleepily, ranged round a huge *hibachi* which they were using as a magnificent ashtray; they glanced round now and then in the direction of the low table at the far end of the room on which burned the holy fire, brought three days before from a temple on Mount Koya, surrounded by offerings of fruit and vegetables, now dry and withered.

Two young men from the village had gone by electric car to Mount Koya, the home of Shingon Buddhism, and the foundation of Kobo Daishi, the ninth century priest who figures, among other things, in many legends as the rain-prayer par excellence: they had been chosen, the village headman said, as the toughest specimens available at the time, for, though they might go by train, they must walk or trot the whole of the thirty-five miles home. (It took them sixteen hours.) They handed over the 1,500 yen (£1 10s.) which covered a week's supply of fire, and the expenses for the prayers said when the fire was blessed, and set off for home. (The Mt. Koya priests reduce their charge to 500 yen if a second week's supply of fire becomes necessary.) On the way home, the two had to keep on the move, had to take their packed cold rice by relays, and had to shake their fire as much as possible — taking good care, of course, that the shaking was not so vigorous as to extinguish the flame. *Furu* to shake, is consonant with *furu* to rain, the first should induce the second.

Before the two had left, the villagers had vowed to their god's spirit at the village shrine that, if they were granted rain, they would make a thank-offering in return; it was of no mean value, and the expenses incurred here, and for the

holy fire totalled something like £10 — to be borne equally by each of the sixty-four householders: and that, in fact, was no slight sum for a small farmer, with no subsidiary source of income to fall back on, faced with complete ruin if his crop did fail. (Some of Japan's farmers were better blessed; it was said that last year, already even at the beginning of September, the Tohoku farmers were buying their television sets by the hordes, in anticipation of a bumper year. The Yamato villages may have their stores with the television advertisements; but that is as near as the Yamato farmer gets.)

Iwashimizu had been driven to start *amagoi* services on two previous occasions since the war, the first in 1948, and then again in 1955. In 1948, rain had fallen almost as soon as the holy fire reached the village; in 1955, the third day brought the rain. Last year, on August 13th, the day I watched the services, was the third. As the afternoon wore on, more and more farmers came in from the fields to sit round the ashtray, and take their part in the *komori*, the self-enclosing in a shrine or secular building, the atmosphere became tense and expectant.

The villagers were not taking any chances: the fire came from a Shingon sect Buddhist temple, votive offerings had been promised to the local Shinto deity, and when, just before dusk, the priest came to read a passage from the sutra, it turned out that he was from the Zen sect — which usually has little or no connection with such *amagoi* services, and even more surprising, that his temple was some distance away to the north, beyond the village boundaries. The *amagoi* is always a community service: any member of the community who fails or refuses to do his part suffers some sort of social punishment. And conversely, the participation of any person not strictly a member of the community might reduce the efficacy of the services. But after the priest had read his piece, had smoked his cigarette and talked a little with the headman, when we went back with him to his temple, up in the hills far away from the dusty road, the reason for calling him in became very obvious. His temple is called Shinryuzan — "Spirit-Dragon-Mountain." In both Chinese and Japanese folklore, it is the dragon which has the power to summon up clouds. So the Zen priest, though not really qualified by reason of his sect, and again, as he confessed himself, although he did not read the special *amagoi* sutra, was called in, as he had been in 1948 and 1955, for the sake of the name of his foundation.

As I got back home, at about ten o'clock, it was spitting with rain. I phoned the Iwashimizu Agricultural Advisory Hall. "Yes. It's pouring down," said the headman; that was all that he had time for — he had to lead his sixty-four households to the village shrine to offer thanks, and then to play the drum for the village thanksgiving dance.

The writer is a lecturer in Japanese and Chinese history at Oxford University. He speaks the Japanese language.

ECONOMIC SECTION

Foreign Aid for Ceylon

By A Special Correspondent in Colombo

SEVERAL countries abroad, especially in Europe, are ready to help Ceylon in her efforts towards economic and industrial development. Ceylon's Minister of Industries, Mr. P. H. William de Silva, and the Minister of Transport, Mr. Maitripala Senanayake, returned recently from a tour of Europe and the United Kingdom after exploring various avenues of aid. They were highly pleased that all the countries they visited were ready to assist Ceylon. Everywhere they went they had received goodwill and cooperation and a keen desire to help.

Some of the countries they visited and which were willing to aid Ceylon were the United Kingdom, West Germany, the Netherlands, Italy, Czechoslovakia and Poland. West Germany has already begun to give whatever help she can to improve industrial ventures. A three-man team of West German technical officers has arrived in Ceylon to help the Government to nationalise the bus transport services. The Federal Republic of Germany paid the expenses of the team.



From ancient days the Island of Ceylon has been known for its wealth in gems and spices, and merchants from Greece, Rome and China carried these wares to distant markets.

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The Government may appoint one of the German technical officers as Chief Engineer of the nationalised transport services. The Government is also likely to appoint German technical officers as foremen of the various garages that will be established under the nationalisation scheme.

Meanwhile, the Government of West Germany and the Government of Ceylon have exchanged letters of agreement relating to the extent to which West Germany is prepared to give Ceylon technical and other aid as envisaged in the commercial agreement entered into two years ago. Practical measures have now been decided upon for intensified technical aid, chiefly by establishing model workshops to help encourage small industries and by the loan of a number of technical experts. The West German Government is also willing to grant a number of scholarships to Ceylonese for training in industry in West Germany. Over 100 scholarships will be made available.

Czechoslovakia and Ceylon have also signed an economic aid pact under which experts from Czechoslovakia will come to Ceylon to help in her industrial development. But it is stressed that these experts will refrain from interference, in any manner, in political or religious affairs of the country. This would apply to Ceylonese also who will go to Czechoslovakia on scholarships for training. An important feature of the pact is that the Czechoslovak Government has agreed to provide facilities for Ceylon to purchase capital goods and equipment on credit terms.

Meanwhile, the first Czechoslovak experts who will survey the limestone deposits in Ceylon, have arrived. They will be here for about three months and will survey the limestone deposits in the Puttalam district on the west coast of Ceylon. If their reports are favourable the Ministry of Industries will establish its second cement factory in Puttalam.

With Japanese assistance, Ceylon's Minister of Posts and Broadcasting, Mr. C. A. S. Marikkar, plans to give the public a cheaper and more efficient telecommunication service. His aim is to set up a factory with Japanese technicians for the manufacture of telephone parts in Ceylon and also to introduce VHF telecommunications. Mr. Marikkar has met top Japanese and local telecommunication officials and representatives of the Nippon Electrical Company of Japan.

The possibilities of introducing television to Ceylon through the agency of Japan and the possibility of obtaining from Japan cheaper radio sets was also discussed. Mr. Marikkar will fly to Japan this year to examine the possibilities further and finalise the plan. He said: "Japan has progressed very far in the field of telecommunication. It is

time we started looking to the East."

Russia and China are also willing to help Ceylon in various projects, especially in the industrial field. "The Soviet leaders appear to desire genuinely the friendship of other countries. This offer of friendship is one that should be accepted," states the official report of the Ceylon mission that recently visited Russia and China. The mission was led by Sir Claude Corea, Ceylon's High Commissioner in London.

The report stated that it was clear from the availability of exportable commodities in the two countries that much expansion of trade could take place with mutual benefit. After discussion it was agreed that negotiations should begin as soon as possible between the two Governments with a view to the conclusion of a trade and payments agreement. Ceylon has already concluded such agreements with Poland and Czechoslovakia.

In China, as in Soviet Russia, there is a great desire to be on the friendliest terms with Ceylon. The Chinese Government is also anxious to expand trade relations with Ceylon.

Ceylon obtained the largest number of experts from the Colombo Plan Technical Assistance Bureau during the period July 1950 to June 1956. From a total of 453 experts provided by the Colombo Plan, Ceylon got 219. The United Kingdom made the biggest single contribution sending out 81 experts to Ceylon.

The United Kingdom also led the training countries by taking 332 trainees from Ceylon. Ceylon received 52 experts from Canada, 38 from Australia, 14 from New Zealand, 13 from India and 2 from Japan. Australia trained 147 Ceylonese, India 99, New Zealand 65, Canada 52 and Pakistan and Japan 2 each.

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PLANS AND IMPORTS

THE closing of the Suez Canal has placed a heavy burden on India's bill for essential imports, and the recently announced increase in steel prices will further affect the expenditure on capital goods. This, together with other considerations, has had an effect upon the country's import policy. For the first half of this year consumer goods must give way to capital goods required for the successful execution of the Second Five-Year Plan.

While certain industries in Britain are being hit by reduction in the export of less essential goods to India, it is significant that from the point of view of the national economy of Britain as a whole, the increased export of the capital goods producing industries more than offset the losses by the industries producing less essential goods.

In the case of Pakistan the import policy for the first half of this year is based, according to the Minister of Commerce, on the principle of an austerity budget. Imports of capital goods will receive priority.

The policy of living within one's means is sound in principle, and it is a matter for regret that some years ago when Pakistan's foreign exchange earnings were high, the government of the time allowed these assets to be frittered away by a too liberal import policy.

The announcement of the import policy was followed in Pakistan by an increase of consumer prices up to 20-25 percent, which will have adverse repercussions on the country's economy. As the reduction of imports includes yarns, the industries using artificial silk and woollen yarns for home consumption products have been hit by the new regulations. The matter is not likely to rest there.

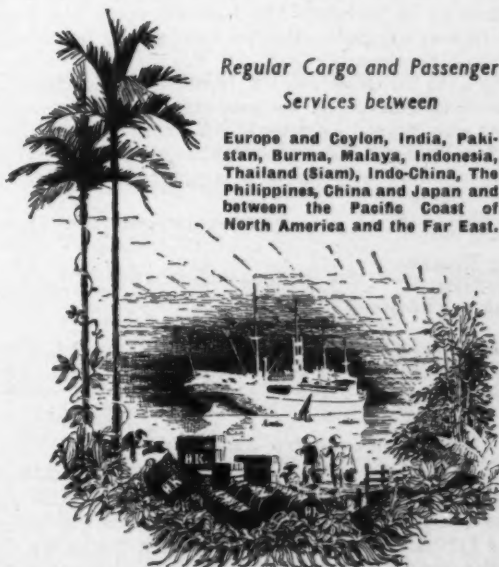


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JAPAN AS A BRITISH MARKET

By A Special Correspondent in Tokyo

THE coming to power of the new Japanese Cabinet with Mr. Tanzan Ishibashi as Prime Minister, presents possibilities for the British Government to bring to an end the protracted trade talks between the two countries which started at the beginning of October. The time is opportune now to conclude a trade treaty which should be in the interest of both countries. A frank and unbureaucratic approach is necessary which should be based on the fact that the aims of both Governments are not mutually exclusive and that cooperation in the economic field is valuable to both partners.

The British proposal, which was announced at the beginning of January, to abolish the Anglo-Japanese sterling payment agreement is an attempt to terminate the remaining bilateral agreements and is a further move towards multilateralism—a system which is infinitely preferable to bilateralism in the interest of the development of international trade.

This correspondent has been repeatedly told that Japan would welcome the British Government's gradually making the pound sterling fully convertible. All members of the sterling bloc should then feel morally obliged to undertake the stabilisation of sterling, as they all benefit from belonging to this bloc. Full convertibility would be of a great advantage to the Commonwealth and international trade alike.

It is noteworthy that the Japanese-West German agreement signed in autumn 1954, which replaced the bilateral agreement—based on the D Mark—with multilateral payments, has brought about increased trade between the two countries.

Even, if during the last few years, the import regulations for various Japanese goods by British colonies have been liberalised, the UK-Japanese trade talks have for the Japanese a certain air of unreality. The Japanese would prefer—as a more realistic approach—that the talks should be conducted not with UK alone but with all British countries of the sterling area, particularly as UK-Japanese trade occupies only about 10-15 percent of the total Japanese trade with the sterling area. Several Commonwealth countries of the sterling bloc, like Malaya, India and Australia have even individually, as the following table shows, a larger trade than UK with Japan.

	Japan's exports	Japan's imports
	1955	1955
United Kingdom ...	21.9	13.7
Hong Kong ...	31.7	2.2
Malaya and Singapore ...	26.6	39.3
India ...	30.5	27.8
Pakistan ...	15.8	17.0
South Africa ...	10.4	6.3
Australia ...	19.8	64.0
	156.7	170.3

(All figures in 1,000 million yen)

According to UK statistics Britain's exports to Japan during the first 11 months of 1956 reached the value of nearly £19 million as against £11.8 million during the corresponding period of 1955. The following table shows the

development of the trade between the two countries.

	1954	1955	1956
	(First 11 months of the year)		
UK exports to Japan ...	10.6	11.8	19.0
UK re-exports to Japan ...	0.6	0.9	2.2
UK imports from Japan ...	12.9	22.1	22.9

(All figures in £ million)

In 1956 UK exports to Japan included wool, wool tops, etc.—£4.5 million, woollen and worsted yarns and fabrics—£2.7 million, chemicals—£2 million, machinery (other than electric)—£1.9 million, electric machinery, apparatus and appliances—£0.7 million, cars and other road vehicles and aircraft—£1.4 million, scientific instruments, etc.—£0.3 million, whisky—£0.4 million.

Your correspondent understands that the increased UK exports to Japan not only could be maintained but, in fact, achieve a further increase. The development of Japan's wool industry leads to increased requirements of raw and semi-manufactured goods. It is pointed out that in the field of capital goods, the UK exports should increase provided that more effort was made by British manufacturers. The tendency in Britain to regard Japan as a competitor should give way to the consideration of Japan as a great potential market. It is stressed that manufacturers of other European industrialised countries, particularly West Germany, show keen interest in securing orders from Japan and that, as a result of this, Japan's imports from Western Germany are higher than those from Britain.

There have been cases when Japanese industrialists have gone to Europe with vague ideas of their requirements in finding the best possible equipment for the modernisation of their plant or to establish a new factory. As a rule, in Britain they were shown catalogues and machinery in show-rooms, while on the Continent the potential buyers were shown around the factories with little secrecy and questions of production were discussed freely. By way of exception a Scottish mining machinery manufacturer is quoted who observed tartly "everybody is welcome to buy our machinery—to copy it will take at least 12-18 months, and by that time we shall be offering new improved types of our machinery—our research and development department is efficient and the boys are busy."

In cases of placing orders for the type of machinery already decided upon, there is no necessity for the Japanese industrialist to travel to Europe and the contracts are signed in Japan. While the prices quoted by UK firms are competitive, the longer deliveries demanded by them (as compared with those of manufacturers of other countries) constitute a great obstacle to the securing of further contracts in Britain by Japanese industrialists, for whom the time factor is of great importance, particularly as the borrowing of money in Japan is very costly.

As the long deliveries demanded by most of UK manufacturers of capital goods is not temporary, but a feature of the postwar period, questions are being asked here whether the responsibility for not shortening the delivery dates lies in a lack of imagination and the need of a bold policy by managements of these factories.

COMPETITION IN THE CHINESE MARKET

By V. Wolpert

JAPANESE newspapers and magazines refer often to the increasing trade between western countries and China and express concern about the fact that Japan is not able to increase her trade with China sufficiently. Recently *The Oriental Economist*, the organ of the new Prime Minister, Mr. Tanzan Ishibashi, referred to the report issued by a Japanese trade mission which had toured China and which regretted "the discouraging belatedness of Japanese commercial activities in China." The report emphasised the contention that "the vast area of Communist China has been steadily developing from a market within the Soviet bloc into one of the most promising international markets" and stressed, that "the growing enthusiasm on the part of European countries to sell heavy machines to China is well justifiable as bulky sales of machinery installations this year certainly can be taken to assure the repetition of similar orders some years later," and added that "with all western countries making positive gestures to sell their specialities to Communist China apparently with little regard to COCOM restrictions, chances for Japan regaining its old market on the China mainland are bound to grow slimmer if it continues to observe blindly the almost-antiquated COCOM bans to the letter without taking some effective measures to cope with changing cir-

cumstances." *The Oriental Economist* concluded by stating that "China possesses many raw materials wanted by Japan such as iron ore, coal and salt which will serve as ideal collateral for industrial manufactures which the former demand from the latter, and there is absolutely no reason why trade between the two countries should not grow."

The latest available statistics prove, however, that the Japanese industry was active in the Chinese market, and that Japan's exports to China reached the value of nearly £19 million during the first 11 months of 1956 as against £10.1 million during the whole of 1955.

It is not surprising that in countries outside the Soviet bloc industrialists are watching with — to say the least — interest (if not jealousy) what competitors from other countries are doing in the Chinese market. China's total foreign trade is estimated to amount at present to the annual value of approximately £1,800 million, of which only twenty percent accounts for trade with countries outside the Soviet Union and Eastern Europe.

It is realised in western trading circles that China's requirements in imports—in connection with the execution of development plans—are bound to increase, and that pre-war levels and the pattern of trade do not any more present a

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guide for China's potential foreign trade either in the import or in the export fields.

A survey of the foreign trade of west European countries shows that in 1956 most of these countries increased their exports to China, and there are indications that this trend increased during the last few months of 1956 and is to continue this year.

France increased her exports to China to 4,239 million francs during the first eight months of 1956 as against 2,502 million francs during the whole of 1955. The Belgo-Luxemburg Economic Union's exports to China increased from 172 million Belgian francs during the first eight months of 1955 to 541 millions during the corresponding period of 1956. All Scandinavian countries considerably increased their exports to China. Norway's exports reached the value of 8.5 million kr. during the first ten months of 1956 (as against 0.1 million during the corresponding period of 1955), Sweden's exports increased to 12.7 million Swedish kr. during the first eight months of 1956 (as against 5 million during the corresponding period of 1955), and Denmark's exports which amounted to only 0.2 million Danish kr. during the first ten months of 1955 increased to 15.2 million during the corresponding period of 1956.

UK trade with China developed during the last three years as follows:

	1954	1955	1956
	First eleven months of year		
UK imports from China ...	8.2	11.5	11.9
UK exports to China ...	6.4	7.3	10.1
UK re-exports to China ...	0.1	0.1	0.1

(All figures in million £)

The table shows that during the three-year period UK had an unfavourable trade balance with China, and that the UK exports in 1956 show a stronger increase than UK imports. Nearly half of the total UK exports to China consisted of wool tops. China is at present the biggest individual market of this British industry, the value of the total exports of this industry amounted to £34.1 million during the first eleven months of 1956, and the exports to China valued at £4.9 million accounted for nearly 15 percent of the total exports.

Another important item in UK exports to China is the export of the chemical industry. However, these exports decreased from £1.7 million during the first eleven months of 1955 to £1.2 million during the corresponding period of 1956. Within this group of goods, chemical elements and compounds exports decreased from £0.5 million to £0.3 million, and those of drugs, medicines and medicinal preparations from £0.8 million to £0.6 million.

On the other hand, the exports of machinery (other than electrical) increased from £135,867 during the first eleven months of 1955 to £767,717 during the corresponding period of 1956. These engineering exports consist mainly of a small amount of machinery, including trucks and tractors, the delivery of which was allowed. The firms in question were glad to be able to supply these "samples." But the question remains whether UK firms will be permitted to export these goods in sizeable quantities, or whether the restrictions which hamper the trade will remain in force.

Trade With Hong Kong

By A. James

DURING the first eleven months of 1956 Hong Kong's total imports were valued at HK\$4,632.3 million (merchandise HK\$4,177.6 million, and gold and specie HK\$454.7 million), while Hong Kong's total exports were valued at HK\$3,393.8 million (merchandise HK\$2,913 million, and gold and specie HK\$480.8 million).

As the following table shows the UK occupied third place as supplier of Hong Kong, and the fifth place among Hong Kong's export markets, and the Colony's trade with Britain shows an unfavourable trade balance of over HK\$206 million during this period.

	Hong Kong's Imports First eleven months of 1956	Hong Kong's Exports First eleven months of 1956
UK	476.6	270.5
China	932.1	118.8
Japan	746.6	276.7
Malaya	142.4	334.0
Indonesia	51.6	459.2
Thailand	170.5	298.0
Belgium	101.0	10.4
West Germany	110.6	34.7
Netherlands	73.9	22.3
Switzerland	117.7	3.4
USA	376.2	104.5

(All figures in million HK \$)

According to UK statistics the trade with Hong Kong developed during the last three years as follows:

	1954	1955	1956
	First eleven months of year		
UK imports from Hong Kong	9.9	15.1	18.4
UK exports to Hong Kong	21.2	23.3	30.4
UK re-exports to Hong Kong	0.3	0.3	0.3

(All figures in million £)

Thus despite increasing imports from Hong Kong UK achieved a favourable trade balance of £12 million in 1956 as against £11.3 million and £8.2 million during the corresponding period of 1954 and 1955 respectively. The complaints by some UK industries about Hong Kong low-priced goods entering Britain must be considered from this overall trade picture. And while admitting that some UK manufacturers are hit by Hong Kong competition, one has to realise that UK total exports to Hong Kong have been increasing at a higher rate than the imports from Hong Kong, and that the Crown Colony represents an important British shop-window in the Far East.

The well-being of Hong Kong is in the interest of Britain, and as the Crown Colony cannot live on entrepot trade alone, the development of local industries is to be welcome from the economic and political points of view. These local industries have recently achieved successes in the export of their goods to various countries, including to the European continent, and have made some headway in the US market. According to a Hong Kong report an order for shirts and

other cotton goods valued at £750,000 has been placed recently by the United States, which is a further indication of the possibilities for developing the dollar market.

UK exports to Hong Kong, which show an increase during the first eleven months of 1956, include chemicals (plastic materials, and perfumery, soap, etc., come under this category), which reached the value of £3.3 million, woollen and worsted yarns and woven fabrics £3.3 million, cotton yarn and woven fabrics £0.7 million, miscellaneous textile manufactures £1.3 million, iron and steel £2.7 million (£1.5 million during the corresponding period of 1955), non-ferrous base metals, mainly copper and copper alloys £1.4 million (1955 £0.6 million), manufactures of metals £1.3 million (1955 0.9 million), machinery other than electric £2.5 million (1955 £1.9 million), electric machinery, apparatus and appliances £2.6 million (1955 £1.9 million), road vehicles £2.3 million, clothing, footwear, travel-goods, etc. £0.8 million, tobacco manufactures £1 million, as well as sugar and sugar preparations, cocoa preparations, beverages, non-metallic mineral manufactures, scientific instruments, optical goods, etc., and others.

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More Textiles For Australia

THE Australian Government has announced a relaxation of import restrictions, and additional goods to the value of £24 million will be allowed to be imported during this year. The decision follows the improvement of Australia's foreign trade balance of payments situation. During the last six months of 1956 Australia achieved a trade surplus of nearly £80 million as against a deficit of about £20 million during the corresponding period of 1955. The improved foreign trade balance is partly due to Australia's increased wool earnings (Australia's wool exports represent approximately one half of the value of the country's total exports) which amounted to £A193 million during the second half of 1956 as against £A144 million during the corresponding period of 1955.

The new import quotas for textiles for manufacturing purposes are 60 percent higher than those for the last quarter of 1956, while other textile quotas have been increased by 20 percent. The new quotas will, according to Australia's Minister of Trade, Mr. McEwen, meet the country's most urgent requirements. New regulations include the right of the importers to transfer quotas for ready made clothing to textile piece goods, and the change of licensing period from three to four months. The announcement, that Australia is to import additional textiles to the value of £8 million, was met with great satisfaction by UK textile manufacturers and exporters who feel that they will be able to increase their sales, particularly of high-quality goods, to this important market.

Australia is the largest individual market of British industries. During the first 11 months of 1956 UK exports to Australia amounted to £226 million (UK imports from Australia were valued at £209.5 million) as against £248.5 and £261.7 million during the corresponding period of 1954 and 1955 respectively.

The following table shows the importance of Australia as a market for some UK textile industries:—

	1954	1955	1956
	(First 11 months of the year)		
Cotton yarns and woven fabrics:			
UK total exports	101.9	90.2	81.2
incl. to Australia	17.9	14.6	11.7
Synthetic fibre yarns and woven fabrics:			
UK total exports	36.8	31.5	29.6
incl. to Australia	10.8	9.2	7.4
Woollen and worsted yarns and woven fabrics:			
UK total exports	75.8	80.8	83.4
incl. to Australia	1.6	1.6	1.2
Miscellaneous textile manufactures:			
UK total exports	80.5	83.7	78.3
incl. to Australia	17.1	14.9	10.9

(All figures in million £)

The latest reports indicate that Australia's wool earnings from wool sales will increase further and that this will lead to increased purchases from Britain which is the largest market for Australia's exports.

WOOL REPORTS

Japan buys more wool

In December the Japanese Ministry of Trade announced that it would allocate £31,250,000 for additional purchase of wool during the half-year period of October 1956-March 1957, and it is estimated that by the end of the fiscal year (March 31) Japan will have imported a record of over one million bales of wool. As a result of this allocation Japanese buyers were very active at the wool sales which began in Australia on January 15 and have contributed to higher prices secured by the sellers.

During the first nine months of 1956 Japan's imports of raw wool increased to 774,785 bales as against 532,347 bales during the corresponding period of 1955. The larger imports are due to increased home consumption requirements (an increase of nearly 25 percent over the previous year) and also to increased exports.

New Zealand sells more wool

During the five months period (July to November 1956) New Zealand sold over 86 million lb. wool valued at £17,845,000 as against less than 83 million lb. wool valued at £15,446,000 during the corresponding period of 1955. The average price per lb. during the July-November 1956 was 49.60 pence compared with 44.67 pence during the same period of 1955.

India's imports of woollen yarn

India's imports of woollen yarn and knitting wool which amounted to 3.7 million lb. during the fiscal year 1954-55, and to 3.9 million lb. during the fiscal year 1955-56, showed a further increase to 3.1 million lb. valued at Rs.6.4 million during the six months period April-September 1956 (as against 2.3 million lb. valued at Rs.6 million during the corresponding period of 1955). The 1956 half-year imports included 149,402lb. from the UK; 2,822,782lb. from Italy; 55,256lb. from Japan; and 53,397lb. from Holland.

The recently announced import policy covering the period of January to June 1957, provides for woollen yarn imports being halved, from 10 percent to 5 percent, in August 1956. India's output of wool yarn has been increasing and has reached 2,315,000lb. as against 1,839,000lb. during August 1955.

India's imports of wool tops increased from 11.6 million lb. during the fiscal year 1954-55 to 12.6 million lb. during 1955-56, and a further increase took place during the six months period of April-September 1956 when the imports reached 9.4 million lb. (including 6,877,768lb. from the UK) to the value of Rs.54.2 million as against 6.6 million lb. valued at Rs.39.6 million during the corresponding period of 1955.

"Wyt's Digest" of Dutch Shipping and Shipbuilding—1956

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SINGAPORE FISHERIES INDUSTRY

By Eric Hardy, F.Z.S.

THE second world war ended with a hungry and increasing population in Far Eastern countries. To meet this challenge, the United Nations FAO inaugurated the Indo-Pacific Fisheries Council, and from Bombay to Korea there has been a modernisation of fishing fleets and fishing methods, and a surge in biological research, often where no marine biology was conducted before. Singapore Island was no exception to the appreciation of the fisheries as the main source of protein food. Particularly the appointment of Mr. T. W. Bourdon as deputy director of fisheries saw a concerted effort to improve what was a most varied system of netting, poisoning and primitive catching of a variety of inshore fishes without making any appreciable harvest of the deep sea fishes.

A decade has past since the UN looked to the fishing industry to increase the food supply of the eastern peoples, and it is fair to ask if some of the earlier hopes have proved illusions, and to see where the progress has been made. To begin with, Singapore was importing fish from Malaya, India and Indonesia despite its own native fishery. According to the latest statistics, these imports from various surrounding territories have in four years increased from 15,581 long tons to 17,316, whereas exports of fresh fish in that period rose from 1,240 tons to only 1,491 tons. Singapore also has a large trade in salt fish and marine products, but this has receded in recent years. The number of fishermen employed (Chinese, Malays, Indians and others) has risen from 4,600 in 1951 to 5,700 in 1954 (according to the latest report). The number of powered fishing boats has increased fourfold, so has the number of large boats over 65 feet, and whereas in 1951 Singapore had no fishing boats over 75 tons, it had half-a-dozen of that tonnage three years later. In four years the local production of fresh fish has almost doubled, but the most interesting aspect of this is that the increased yield has almost all been by off-shore long-line fishing — fish of which there was no production at all in 1950, and now it has risen to about 2,500 tons. Much of this, however, was lost by disbanding the *sagai* units. Thus, allowing also for imports and exports, the real

availability of fish in Singapore has, despite ups and downs, increased from 17,416 tons in 1950 to 22,056 tons in 1954.

Let us consider some of the commercial and scientific interests in the industry. Research is always necessary, although not always so profitable as is expected, and from the practical fisherman's point of view, often rather slow. A marine fisheries research station has been constructed at Changi and a research vessel, fitted out in Britain, is available for the staff. The Singapore Fisheries Officer, Mr. Tham Ah Kow, has a background of research experience in Singapore Straits. The substantial increase in the total fish available on the Singapore market has not solved their problem, for the population continues to increase at the rate of about 5 percent a year.

Another problem facing the development of this fishery is the varied tastes of the customer — up to twenty varieties find popular demand where one or two might dominate the European market. Thus the retailer cannot buy large quantities of just one kind of fish when the industry produces it cheaply. Only a few species like anchovy, mackerel, sprats and jewfish, are relatively abundant amongst the varied fish-life of the local seas, and worth the trouble of specially concentrated fishery efforts, unless Singapore secured fishery rights in neighbouring territorial waters. Territorial waters, are, however, the most thorny problem in international fishery relations throughout the world today, and nations with good fisheries are reserving them with jealous control, and making every effort to extend their bounds and incorporate any nearby fishing grounds.

Nevertheless, the Singapore Government fisheries vessel, the "Dunvegan," has explored much of the South China Seas, but with somewhat disappointing results, for otter-trawling, in the central region at any rate, does not appear to be an economic proposition, and the muddy sea-bed makes trawling there very difficult. Long-line fishing, as the Americans practise off the great Newfoundland banks, is the answer to exploiting much of the South China Sea, and net-trawlers have in many cases been converted to this type of fishing. The sea off the west of Malaya has also been explored for possible line-trawling grounds during the north-east monsoon, when the China Sea is difficult to fish. Although it means 600 miles sailing from Singapore, the rich and extensive fishing grounds disclosed there hold good prospects for the future.

It is the old drift-nets and palisade traps which have done most to increase Singapore's inshore, fish-catches by 15 percent in recent years. But the shallow seas and Singapore Straits are now fished to the limit. The colony imports bass (siakap) and threadfins (kurau) from India, yellow croaker, hairtails, bream and large prawns from Hong Kong and China, and shad and mackerel from Malaya. Obviously, then, there are limitations to the contribution science can make to augmenting the harvest of the sea in this part of the world.

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ENGLAND

INDIA'S COIR INDUSTRY

By A Special Correspondent in India

THE golden coloured clean fibre known all the world over as coir is a natural product extracted from the husk of the coconut. It is also known in Europe as "Cocos Fibre." Coir is classed among the "industrial hard fibres" which enter the world's markets in the form of fibre or spun yarn or as floor coverings. It is in great demand for its natural resilience, durability, resistance to dampness and many other qualities. It is of very great importance in the economy of the west coast of India, as it provides a means of living to more than a hundred thousand families.

Being a cottage industry spread over a wide area, reliable statistics of production, or of labour employed in the industry, are not available. Production of fibre is estimated at 130,000 tons a year in the whole of India. Almost the entire fibre produced is utilised for spinning into yarn. Export of fibre outside India is negligible—only about 600 tons a year on an average. Spinning is carried on both by spindles and by hand. Total production of yarn is estimated at 120,000 tons a year. Wheelspun yarn accounts for 80 percent of the total production, while 20 percent is spun by hand. Wheel-spinning is gradually displacing hand-spinning. The main characteristics which make up for quality in coir yarn, are cleanness—absence of pith and impurities, evenness of twist, colour, etc. For industrial uses, cleanness, evenness of twist, and thickness of the yarn are of special importance, whilst coir yarn with pith and other foreign admixture is accepted for lashing and agricultural purposes. Some of this type of yarn is also going into the manufacture of the cheaper grades of door mats.

The manufacture of coir floor coverings such as mats, mattings, rugs, carpets and mourzouks is an important industry which has developed in Alleppey, Shertallai and surrounding areas in the Kerala State in India. The products of this industry amount to approximately 21,000 tons a year to the value of approximately four crores of rupees (£3 million). It provides employment for not less than 15,000 workers. The manufacture is carried on by manual process on wooden looms, similar to those used in the cotton textile industry.

The coir mats and matting industry had been satisfying the needs of overseas buyers for nearly a century. But complaints became a feature only during the period immediately following the last war. There were several reasons for this, the most important being a large number of inexperienced buyers coming into the trade after the war and a similar influx of shippers from India. The normal practice of the trade has been to supply bulk on the basis of the samples agreed upon between the seller and the buyer. Where the bulk supplies were below the agreed sample, there was definitely room for complaint, but where the samples were themselves of inferior quality, it would be wrong to lay the blame upon the shipper. Importers in overseas countries have been demanding price reduction, and where low price is the only criterion, there is bound to be deterioration of quality to suit the low price offered.

No special steps are being taken to increase production; nor are they necessary in the peculiar conditions prevailing

in the industry. The coir industry is to a great extent now dependent upon the demand for coir yarn and coir products from foreign markets, and such demand has been more or less static for many years. Unless the demand for coir goods is stimulated in India itself and coir goods find a ready market in India, any increased production without corresponding increase in consumption may do incalculable harm to the stability of the industry. When there is increased demand, it would not be difficult to step up the production of coir products, as even now the installed capacity is not being fully utilised.

One of the important functions of the Coir Board constituted by the Government of India under the Coir Industry Act, 1953, is promotion of exports. The exports of coir fibre amount, on an average, to only about 600 tons a year, which form only a very insignificant proportion of the total world trade in coir fibre.

India's trade in coir yarn has great antiquity. During the past hundred years or more, coir yarn has come into greater prominence and its uses have become more and more varied. In foreign countries, its industrial uses are in the manufacture of ropes and cordages and of mats and mattings. Large quantities are also consumed for agricultural purposes, e.g., hops growing. Here again no exhaustive study has been made about the uses made of coir yarn by importing countries, but from the information available to the Board, the end uses can be indicated in respect of certain countries which are importing coir yarn. Japan imports coir yarn entirely for the manufacture of fishing nets. Countries on the west coast of America use coir yarn for agricultural purposes. Countries on the east coast of that continent use about 30 percent of the yarn imported in the manufacture of floor coverings, and the balance for other purposes. On the other hand, a fairly large quantity of coir yarn imported into the United Kingdom, and almost the entire quantity imported into Holland, Germany, Italy and other Continental countries of Europe, is utilised in the manufacture of floor coverings. North European countries which were importing coir mats and matting from India before the war, are now buying increasing quantities of coir yarn, which seems to indicate that, since the war, these countries are also developing manufacture of coir floor coverings. It is stated that Holland and Germany, which are the principal countries on the Continent manufacturing coir floor coverings, are also suppliers to other European countries, the United States, Canada, etc. There is no statistical data about their export trade and local consumption, but the increased off-take of coir yarn by the Continental countries since the war lends support to this view.

On an average, the exports of coir yarn out of India during the post-war years, mainly from the Malabar coast ports including Alleppey and Cochin, amount to 47,900 tons, whereas the average exports during the pre-war years amounted to only 40,700 tons. The countries which import coir yarn are mainly the UK, all west European countries, the US, Canada, Australia, Japan and Burma, with Netherlands topping the list.

The coir manufacturing industry in India was started on a very small scale just under a hundred years ago, and the first factory was set up in Alleppey by the late James Darragh. During the early years of the industry, the main buying countries were America, which stood first, and the United Kingdom. But exports to the US suffered very heavily owing to the imposition, in the beginning of this century, of what has come to be known as the McKinley tariffs prompted from strong protectionist sentiment in America, which by and large still continues. The export of mats and mattings is even now practically confined to the two ports of Alleppey and Cochin on the west coast. While the record of progress before the second world war was fairly continuous till 1937-38, there was a slight recession during the subsequent two years. At the end of the second world war, there was a fillip during the year immediately following the cessation of hostilities. But exports have been very unstable and often below the pre-war levels, especially during the last four or five years.

No organised attempts have been made hitherto by the coir industry as such in foreign markets for advertisement and propaganda of coir and coir products. Individual exporters have made their own arrangements in a limited way. It is considered that with effective advertisement and propaganda, India's markets in foreign countries could be developed very considerably. The most important country to show great potentiality for expansion of trade in coir mats and mattings is the US, particularly, its interior, where, it is reported, these goods have reached only the fringes. Canada is another potentially rich field for exploitation.

Another proposal for promotion of exports is the send-

ing of a delegation of the Board to foreign countries. The Board has decided that the delegation should visit America and Canada and on its return trip visit Britain, the Continent and Middle East countries. The delegation, in addition to exploring new markets and developing existing markets, will also try to find out the end uses of coir yarn in importing countries. Participation in Exhibitions is still another form of publicity being done by the Coir Board in the interests of promotion of exports.

A look at the figures of export will reveal that about 50 percent of the coir yarn produced is exported to foreign countries either as yarn or as coir products. This heavy leaning by the coir industry on foreign markets for the disposal of its products is, so to say, the weakness of the coir industry. Generally the export price and other economic conditions of this industry are conditioned by the foreign markets and the purchasing capacity of the foreigners. Any slump in the foreign market or a fall in the purchasing power of the foreign countries is visited by a reduction of export of coir and coir products with consequent economic depression in India. In fact, the coir industry had been subject to periodical economic crises in the past as a result of the vagaries of the foreign markets over which India has no control. To avoid such crises and to place the coir industry on a sound footing, it is necessary that a better balance should be maintained between foreign and home markets. Without reducing the exports, which earn for India the badly needed foreign exchange, a home market for coir should be built and expanded. This has to be done by initiating Indians in the habit of using coir and coir products by systematic publicity, and exploiting that habit to the largest possible extent.

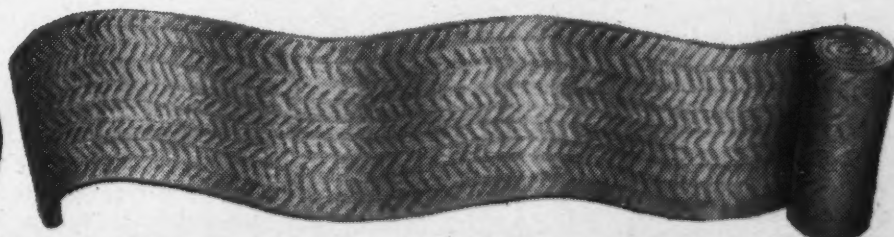
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TRADE, FINANCE AND INDUSTRIAL NOTES

Reserve Bank of India

Government of India have appointed Mr. K. G. Ambegaokar, a deputy governor of the Reserve Bank of India, as Governor of the Reserve Bank consequent upon the resignation of Mr. D. Rama Rau.

National Bank of Pakistan

The Pakistan Government have re-appointed Mr. A. Muhajir, Managing Director of the National Bank of Pakistan, for a further period of three years with effect from March 15, 1957.

Franco-Japanese Financial Arrangement

After nearly six months of negotiations in Paris, representatives of the Governments of Japan and France have signed a new financial arrangement for trade between Japan and the French Union replacing the open-account trade system with the cash payment settlement formula which was put into effect from January 1 this year.

The open-account settlement system, which had originally been concluded in July 1948, terminated on December 31 last, to be immediately replaced by the new settlement formula of cash payment in transferable pound sterling or transferable French franc. The trade balance between the two nations, which happened to stand at \$18,980,000 in favour of the French Union

on December 24, 1956, will be settled in pound sterling in three portions by the end of April 1957.

In connection with the trades with the three countries of Indo-China, the new financial arrangement with the French Union will apply to payments with Laos, and trade payments with Viet Nam and Cambodia will be made in US dollars.

UK Cotton Delegation to India

Sir Cuthbert Clegg, leader, and six other members of UK cotton textile industry's delegation have been in Bombay for talks with India's textile magnates. Sir Cuthbert said that the delegation was appointed by the UK cotton textile industry to have talks with Indian cotton textile manufacturers on certain problems faced by the industry at present.

Second Shipyard in India

The Government of India have accepted an offer of a team of technical experts from Britain to draw up a preliminary project report on setting up of a second shipyard for India. Similar offers had been made by the Soviet Government and a West German firm, but India accepted the British offer as it was free under the Colombo Plan. Meanwhile, the Government have appointed a committee to determine the capacity of the second ship-

yard and type of ships to be built there. At present Hindustan Shipyards at Vishakhapatnam is producing ships of up to 10,000 tons.

The committee which consists of a Director-General of Shipping and representatives of the Ministries of Production, Transport and Defence, is expected to submit its report in two months.

Pakistan Exports Sports Goods

Pakistan's exports of sports goods to foreign countries, according to figures released by the Central Statistical Office, were valued at Rs.1,105,000 during November 1956, and Rs.10,850,000 during January to November 1956, as against Rs.707,000 in November 1955, and Rs.6,627,000 during January to November 1955. Exports during November 1956 and January to November 1956 thus recorded increases of 57 percent and 64 percent respectively over the corresponding periods of the previous year.

Indonesian-Malayan Trade

The head of the Economic Section of the Indonesian Consulate-General, Mr. Baron Sutadisastra, has said that an improvement in trade between Malaya and Indonesia has resulted from the closure of the Suez Canal. Indonesian merchants were opening more letters of credit for the



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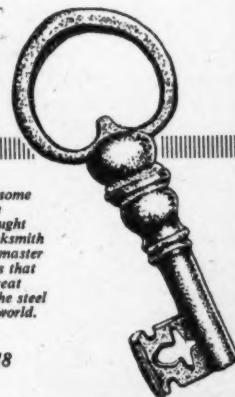
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purchase of manufactured goods from Singapore than in the earlier month of last year. The total value of the trade between Malaya and Indonesia rose to M\$110.7 million in October last year, from M\$103.4 million in September.

Indonesia's Rubber Export to China

Since the lifting of embargo on export of strategic goods to the People's Republic of China, Indonesia has in the past few months exported 1,212,6 tons of rubber worth 8,6 million rupiahs to that country, according to figures compiled by the Indonesian Central Statistics Bureau.

During the month of October Indonesia's rubber export to People's China amounted to 1,011,1 tons valued at Rp.7,2 millions, compared to 201,5 tons valued at Rp.1,4 mililons in the previous months.

The total Indonesian export to People's China, consisting of estate produce, animal products and other goods, totalled 69,552,9 tons worth Rp.121,0 million for the period January-October 1956.

S. Australia Industrial Prospects

Efforts are being made to obtain three important new industries for South Australia. The South Australian Premier, Sir Thomas Playford, says these are a steel plant to cost at least £A75,000,000, a shipyard where tankers of up to 40,000 tons could be built, and a chemical pulp industry to handle products from soft wood forests.

Australian Trade Mission to Asia

Leaders of a trade mission sent overseas by the Commonwealth Bank are confident Australia has a good opportunity of expanding her export trade in South-East Asia if she is prepared to meet strong competition from other countries. The mission spent eight weeks touring the Philippines, Hong Kong, Singapore, Malaya and Indonesia.

The leader, Mr. R. N. Harrison, said in Sydney that competition in the area would come mainly from Germany, Japan, Britain and the US. He said that expansion programmes planned in Malaya and Singapore would greatly assist Australia's export trade. Opportunities existed in the area for the supply of construction materials and manufactured goods.

Australian Wine to Germany

People in Western Germany are showing a renewed interest in Australian wines since the recent Trade Fair at Munich. Reports received by wine merchants in Adelaide indicate that Western Germany is facing a serious two-year shortage of its own wines because of small harvests and a greatly increased demand.

Chinese Contract for Finland

Wärtsilä-koncernen A/B of Finland has recently contracted to supply a Chinese paper mill with its entire machinery. This will include two large paper machines (the capacity of each machine 120 tons per

diem) and the necessary auxiliary equipment.

Big Growth in China's Food Industry

Output of China's food industry for last year in sugar, canned goods and milk products was two to three times the figures of 1952, according to information of the food industry. Output of edible vegetable oil also registered an increase of 21 percent in the same period. Newly-built and expanded sugar factories within the last four years have increased the manufacturing capacity by 250,000 tons.

This year China's sugar output will top one million tons and will more than double this amount by 1962, the end of the second Five-Year Plan. These figures were given at a food industry planning conference in Peking. The actual figure for this year was estimated at 1,100,000 tons.

Two Million New Chinese Wage Workers

China's wage workers increased by 2,240,000 last year, bringing the total to 24,720,000. This is over four times as many as in 1949 at the time of liberation of the mainland. In giving these figures the State Statistical Bureau said that average wage of workers in China last year was almost 13 percent more than 1955. Among the new workers, 150,000 were demobilised army men and 740,000 were former peasants. Graduates of higher and secondary schools make up another 230,000. Most of these have found jobs in industrial

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and economic construction enterprises and government departments as technical or administrative workers.

Production of Anshan Iron and Steel Company

The Anshan Iron and Steel Company, China's iron and steel centre, in November fulfilled one year and one month in advance the target of gross production for 1957, last year of the first Five-Year Plan. Gross production in the past 12 months increased 2.3 times over that of 1952. Output of pig iron, one of the main products, reached the 1957 level by the end of September. Since then more than 140,000 extra tons of pig iron were produced by the end of November. Rolled steel also surpassed the 1957 quota by the end of November.

From 1953 to date, five automatic blast furnaces, eight coke-oven batteries, more than ten newly constructed or reconstructed open hearth furnaces have been in operation in the Anshan Iron and Steel Company. Output of three newly constructed rolling mills for rails, structural shapes, seamless tubes and steel sheets have all surpassed the quotas originally planned. Many of the older mills have installed new machinery to replace heavy manual labour.

Robert Hudson Ltd. in India

Mr. Kenneth Hudson, Chairman of

Robert Hudson Ltd., said at the Annual General Meeting of the Company that the Associated Company's Works in India have taken up a new venture—the manufacture of Standard Bogie Open Wagons for the Ministry of Railways. Hudsons were the first concern in India to accept an "educational" order and after overcoming initial teething troubles are now busy with the manufacture of narrow gauge main line wagons on a large scale.

Since 1954 there has been a strong tendency in India to place orders at the lowest possible price with untried firms to encourage indigenous manufacture.

World Bank Loan for Australia

Australia is to receive a loan of 50,000,000 dollars from the World Bank to finance imports of equipment needed for development.

The announcement was made in Washington after the documents had been signed by the Australian Ambassador, Sir Percy Spender, and the President of the World Bank, Mr. Black. The loan will provide the foreign exchange needed by Australia to import specialised equipment for expanding output and increasing efficiency in a number of industries. These include iron and steel, and the mining of lead, zinc, copper and coal.

A statement by the World Bank says Australia has a continual need for capital to develop all sections of the economy.

The loan is for 15 years at 4½ percent. The Federal Treasurer, Sir Arthur Fadden, said the loan will bring the total borrowed by Australia from the International Bank to nearly 318,000,000 dollars. This indicated the Bank's confidence in Australia's economic future.

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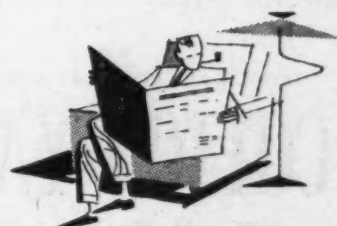
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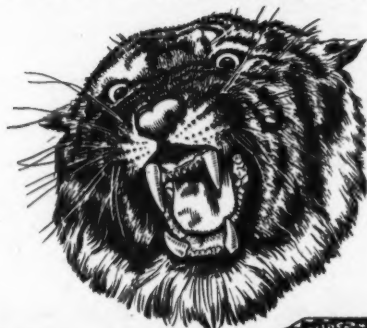
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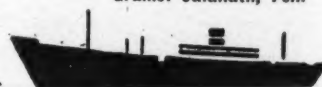
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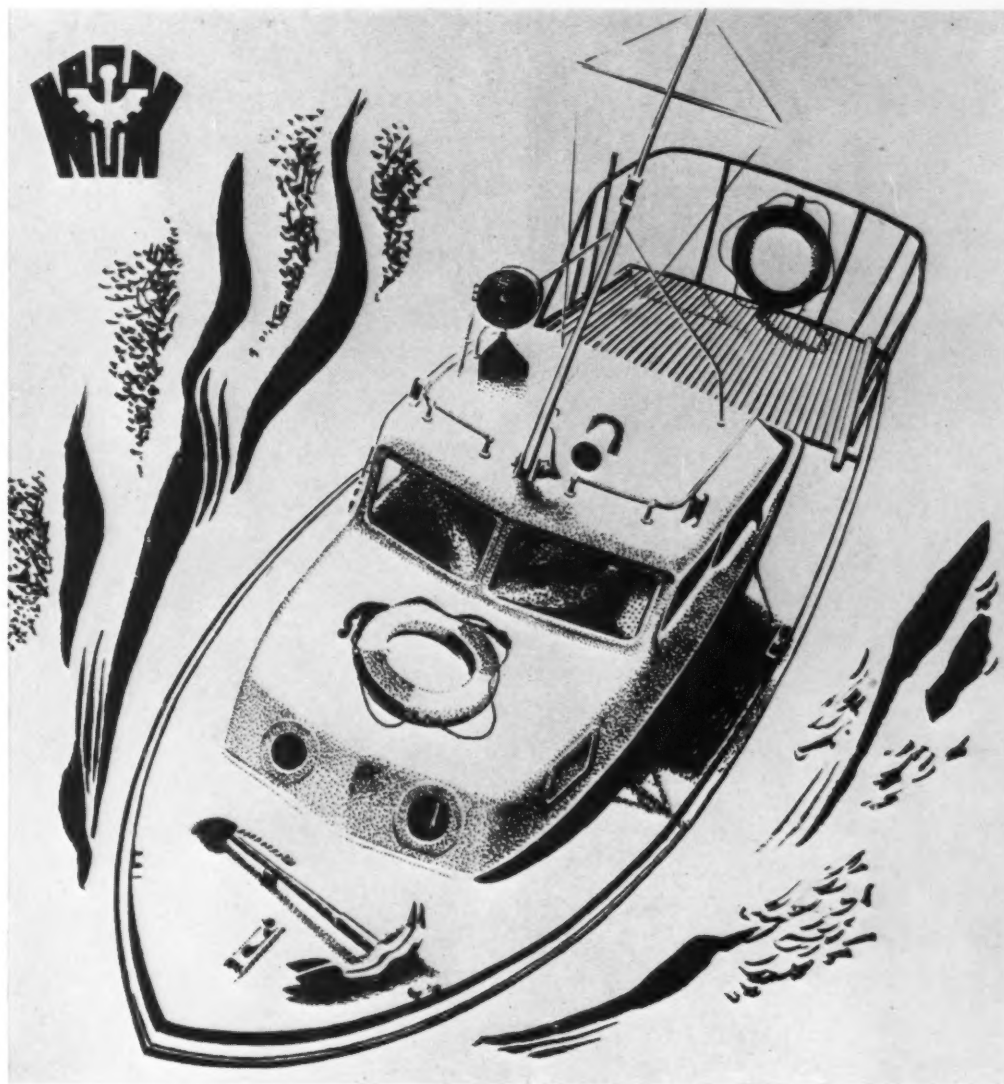
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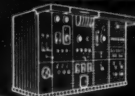
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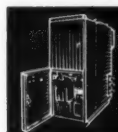
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Printed by H. G. LEATES LTD., Central Printing Press, Alexandra St., Southend-on-Sea, Essex, England. Phone 40271/2. for the publishers, EASTERN WORLD, 58, Paddington Street, London, W.1

